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NEWS SUMMARY

GENERAL

Many die in Chile clashes

At least 17 people were killed and more than 1,000 arrested in violent clashes marking Chile's fourth nationwide anti-government protest.

Military leader Gen Pinochet ...l mobilised 18,000 troops in ... capital Santiago to try to ...n order. Government forces ...d automatic weapons in the ...and hurled tear gas at cur... violators.

Santiago residents alleged ... police fired tear gas into ...eir homes as they sat trapped ...y the curfew. Page 2

Appeal decisions

Appeals by several of the BL workers sacked from the Cowley assembly plant for allegedly giving false information failed. Page 4

Noraid man fined

Stephen Lich, a member of Irish-American group Noraid, was fined £100 for riotous behaviour and told to leave Northern Ireland.

Election pledge

Pakistan's President Zia promised to hold national elections by March 1985 and then to end martial law. Page 2

Halt to shelling

Leftist Druze militiamen agreed to stop shelling Beirut international airport and asked the government to reopen it.

Amnesty offer

Guatemala's new military leader Gen Oscar Mejia offered a 90-day amnesty to left-wing guerrillas.

Lord Wigg dies

Lord Wigg, former paymaster-general and ex-chairman of the Horserace Betting Levy Board, died at 82.

Gormley operation

Former miner's union chief Lord Gomley, who had a mild stroke last week, had an operation to unblock a narrowed blood vessel in his neck.

Passport move

France has banned all Commonwealth citizens from entering the country from Britain on no passport excursion trips.

Gelli admission

A warder at Geneva's Champdollon prison admitted helping Licio Gelli, the Italian P-2 masonic lodge leader, to escape, a Swiss judge said. Page 2

TV-am ahead

TV-am achieved an average peak quarter-hour viewing figure of 1.3m in the week ending August 7, against BBC Breakfast Time's 1.2m.

Sex drive

Soviet schools are introducing compulsory sex education for 16-year-olds in a drive to help prepare young people for married life.

Briefly . . .

Mrs Thatcher left London for Swiss holiday.

Lourdes: anti-clerical extremists blew up a religious statue. Page 2

Mozambique freed British pilot held since June.

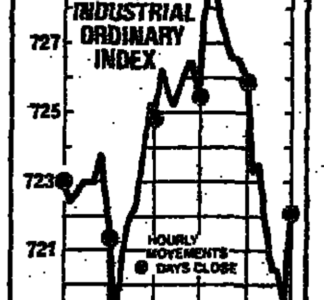
Third test: England 326; New Zealand 176-6.

BUSINESS

Nigeria hopes to seal aid package

● NIGERIA hopes to conclude a three-part economic recovery package totalling nearly $5bn (£3.37bn) in the coming weeks. The sum involves the IMF, the World Bank and commercial banks. An IMF team is expected in Lagos on September 2. Back Page

● *EQUITIES slipped on end-Account influences.* The FT



Industrial Ordinary index fell 3.8 to 722.1. Page 22

● GILTS rallied, with longer-dated stocks firmer than shorts. Page 22

● STERLING rose 35 points to $1.4835. It also improved to Y366.25 (Y364.5) but eased to DM 4.0375 (DM 4.04), FFr 12.14 (FFr 12.1625) and SwFr 3.2425 (SwFr 3.245). Its trade-weighted index was 85.1 (84.9). Page 19

● DOLLAR fell to DM 2.7205 (DM 2.7315), FFr 8.185 (FFr 8.22) and SwFr 2.184 (SwFr 2.19) but rose to Y246.8 (Y246.25). Its trade-weighted index was 130.4 (130.5). Page 19

● GOLD rose $2 to $414.625 in London. In New York the Comex August settlement was $413.3 ($410.8). Page 19

● WALL STREET was up 5.89 to 1,180.28 near the close. Page 18

● POLAND has agreed to meet Western creditor banks on Tuesday in Vienna to discuss their proposal for rescheduling the country's 1983 bank debt.

● SOUTH AFRICA'S major banks raised their prime rate by one percentage point to 18 per cent—the second rise in ten days. Page 2

● U.S. BANKING groups will have to provide more detailed information about their foreign lending and potentially risky domestic loans under new rules from the Securities and Exchange Commission. Page 21

● SIMON ENGINEERING, process plant contractor, made an agreed £22m offer for Drake & Scull, electrical and mechanical engineering group. Back Page

● JOHN BROWN machine tool division is to make two models of computer-controlled Japanese lathes in the UK, probably under a long-term licence agreement. Page 4

● GROUP LOTUS, specialist car maker, reported pre-tax profits of £109,000 in the six months to June, against losses of £289,000. Page 3

● PRESTIGE GROUP, domestic housewares group, raised pre-tax profits from £2.36m to £3.18m in the first half of 1983. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Exchequer 15pc 1997	£125½	+ ½
Treasury 13½pc 2000/03	£117½	+ ½
BL	47	+ 12
Belgrave (Blackh'th)	120	+ 22
Cornell Hldgs	246	+ 26
Drake & Skull	115	+ 30
Friedland Doggart	165	+ 15
GRE	506	+ 14
Guinness Peat	51	+ 6
House of Fraser	224	+ 8
Ingram (H.)	165	+ 85
Milford Docks	55	+ 9
Pearl	700	+ 28
Polly Peck	£23½	+ 2½
Prestige Group	230	+ 42
Stewart Plastics	112	+ 11
Aran Energy	71	+ 7
Atlantic Res	500	+ 40
Hampton Areas	222	+ 12

FALLS

Ault & Wiborg	33	— 6
BOC	245	— 7
Bath & Portland	114	— 7
Boots	162	— 6
Glaxo	585	— 25
ICI	552	— 6
Lon & Liverpool Tst	61	— 5
Tate & Lyle	358	— 6

Ford raises prices as car sales boom

BY JOHN GRIFFITHS

FORD CAR prices are to go up by an average 4.9 per cent from Monday. But the increase will not apply to models already in stock, so this is expected to boost the August new car sales boom, which is breaking all records.

Official figures to be released on Monday will show that at least 230,000 cars were sold in *the first 10 days of the month.* This is a 25 per cent increase on the same period of last year and at least 15,000 more than the 215,000 sold throughout August 1979—a year in which total car sales reached a record 1.71m.

Manufacturers are predicting that between 330,000 and 370,000 cars will be sold this month, and that over the year *as a whole the 1979 total* will be exceeded.

Behind Ford's price increase and the huge sales volumes, however, lie several contentious issues:

Sales are being achieved only through heavy discounting and the offering by manufacturers of extensive financial incentives to dealers. One view held in the industry is that August sales will have cost manufacturers £40m-£50m in incentives, or about £150 on every car sold.

Austin Rover, for example, is paying a bonus to dealers of up to £250 for exceeding tar*gets on Metros, and up to £500* on the Triumph Acclaim. Vauxhall is offering up to £200 for meeting targets on Cavaliers and Astras, and Ford up to £250 on Sierras, with extra bonuses for fleet sales.

Ford attributes its price rises to increasing costs. However, like Vauxhall, BL and others, it is growing increasingly concerned at the potential impact of price-cutting on financial results.

Lotus back in profit, Page 3
Datsun switches imports, Page 4
BL activists lose appeal, Page 4

Ford last raised its prices in January, by an average 4 per cent. Before that there were price increases in November, 1981, but these were partially offset by reduction in 1982. Ford pointed out yesterday that since the end of 1981 many costs had risen—steel, for example had gone up by 18 per cent.

Ford as UK sales leader with a 30 per cent market share, *clearly expects other manufacturers* to heave a sigh of relief and follow its lead.

Paradoxically, the price increases come as some dealers are offering cars at "dealer cost" to shift stocks. One big London outlet, Perrys at Bal*ham, yesterday reported selling* 600 cars in August's first 10 days. It was offering most Sierra models at official cost price, including delivery charges. A 2.3 litre Sierra Ghia was being retailed at £7,669 against a list price of £9,200. Like many other dealers, it is relying entirely on incentive bonuses from Ford to yield *a small profit.*

Dealers are increasingly blaming manufacturers for what the Motor Agents Association described yesterday as "an orgy of distress selling." Declaring that the motor trade was second only to retailing for the number of business closures this year, the MAA suggested that dealers were being forced into unprofitability because *manufacturers* were setting unrealistic sales targets.

The August bulge—expected to account for at least 20 per cent of 1983 sales—is also re-opening debate about the yearly registration prefix system.

Vauxhall has come out firmly in favour of scrapping it. BL is setting up a dealer working party to examine the system, but it is also understood to be in favour of abandoning the scheme. Both companies argue that dealers cannot adequately finance or prepare vehicles for delivery.

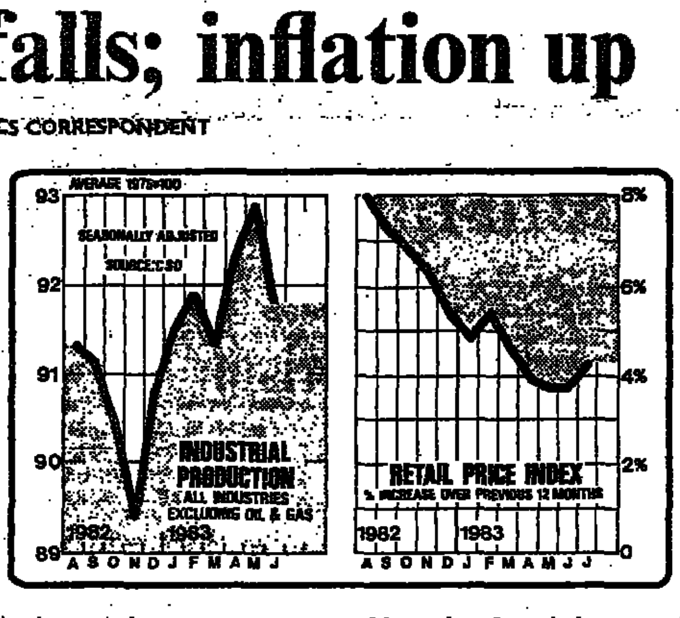
Output falls; inflation up

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

INDUSTRIAL OUTPUT fell sharply in June, and the annual inflation rate has started to climb again, according to the latest official figures released yesterday.

Inflation's acceleration to 4.2 per cent in the 12 months to July from 3.7 per cent in June was widely expected. However, the fall in industrial output has caused considerable disappointment in Whitehall.

The production figures for June showed an overall decline *in output of 1¾ per cent from* May. Manufacturing output fell by 1 per cent almost to the level reached at the bottom of the recession in the spring of 1981.



The figures emphasise that the recovery of UK output is still relatively feeble, although it is not thought that the June figure should be taken as *evidence that it is petering out.*

They also underline the extremely delicate balance which the Government's policies will need to achieve in the coming months between the need to discourage inflation and the desire to strengthen the recovery.

UK industrial output has failed to reflect the full strength of consumer demand since the *turn of the year, mainly because* of a continued increase in imports. Retail sales in the three months to June were running 6.4 per cent ahead of the volume a year earlier, but non-oil imports rose by 3.4 per cent *in the period.*

On the other hand, surveys by the Confederation of British Industry have shown a consistent improvement in optimism, orders and output since the start of the year.

This contrasts with the gloomy picture presented by the CBI last year when industrial production figures also appeared to *show a faltering of the* recovery during the summer months.

As one Whitehall analyst said yesterday: "The figures are *certainly disappointing,* but we would not be alarmed unless the July figures also showed a substantial fall."

The industrial production index is in any case notoriously subject to revision in the light *of later data from industry, and* it is thought that some special factors could be behind the June fall.

The sharp change from a cold damp spring to the warmer weather in June seems, for example, to have resulted in a fall in electricity and gas consumption, which will have depressed the index.

However, the figures show little improvement in industrial output between the first and second quarters of this year. The first quarter was 1¼ per cent up on the last three months of *1982.*

The index *for manufacturing* output has even fallen slightly

Continued on Back Page

Inflation set to rise before wages, Page 4

Options for UBM directors

BY RAY MAUGHAN

FOUR EXECUTIVE directors of UBM Group, the builders' merchant preparing to contest a £63m bid from Norcros, have been allocated options over 961,000 ordinary UBM shares. One week after allocation they show an unrealised aggregate profit of £394,000.

The group announced yesterday that at a board meeting on Friday August 5, five days be*fore Norcros unveiled its offer,* the shares were allocated to the directors at an option price of 81p per share. The market price of UBM shares added 1p yesterday to 122p.

Mr Roger Pinnington, who was recruited as chief executive last summer, was allocated 345,000 shares, Mr John Munro, who runs the builders' merchanting division, 202,000; Mr Bill Otley, finance director, 197,000; and Mr David Wares; director responsible for UBM glass, scaffolding and U.S. operations, 217,000.

The group proposed an executive share option scheme in June, when the group said that it believed it vital that a "small number of key executives should identify their interests with those of shareholders."

Boardroom shareholdings at the time totalled 35,351 shares.

One of the leading jobbers in UBM said yesterday that speculation about a bid for UBM started late last month. The shares weer traded at 80p on August 1, and had moved to 93p two days later.

Although Pilkington Brothers, the float-glass manufacturer, was strongly rumoured to bid, the price moved back to 89p on profit-taking on August 5. The following Monday the shares weer dealt at 100p, and stood at 97p on Tuesday even*ing immediately before Norcros* revealed a share-and-cash offer worth 108p at that time.

Norcros made it immediately clear that it had not contacted UBM at any point before the morning of August 10, when the approach was made known.

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For latest Share Index phone 01-246 8026

Dollar's rapid climb halts

BY JEREMY STONE

THE DOLLAR'S rapid climb seemed temporarily to run out of steam yesterday after a week in which central banks' intervention in the international foreign exchange markets had appeared incapable of keeping the U.S. *currency under control.*

Enthusiasm for the dollar, which had seen it shoot from DM 2.6825 a week ago to DM 2.7430 early on Thursday—a jump of 2¼ per cent in less than four days' trading — was seeping out of the market by Friday afternoon. In London the dollar closed at DM 2.7205.

This was partly a result of profit taking, as operators liquidated positions they had built up early in the week at about DM 2.70.

It also, however, reflected the emergence of some slightly more optimistic forecasts for the U.S. money supply figures over the next two weeks, casting doubts over the market's expectation of higher U.S. interest rates in the near future.

Currency experts were uncertain whether yesterday's halt amounted to anything more *than a breathing-space*

As a result there was comparatively little buying yesterday because dealers were as usual unwilling to take the risk of carrying large dollar positions over the weekend.

This was particularly so after such a rapid climb, which pessimistic observers regard as more likely to boil over the longer it continues.

This was the view expressed on Thursday by the Dutch central bank, which said the surge of dollar-buying was self-generating and forecast that a reaction was inevitable.

In the course of this week central banks, which had earlier spent more than $2bn in a seemingly fruitless attempt to slow down the dollar by direct purchases of other currencies, retreated to less *conspicuous methods of intervention.*

The Swiss central bank, after spending SwFr 1.61bn on increasing its foreign exchange holdings, including purchases of D-Mark over the first 10 days of August, appeared yesterday to have drawn back from the market.

In London yesterday the *dollar closed at Y246.8, up by* 0.55 yen, but it was lower against other major currencies, closing at FFr 8.185 (against FFr 8.22) and SwFr 2.184 (SwFr 2.19). At these exchange rates, however, the dollar was still near record levels.

Sterling gained 0.35 cents yesterday, to close in London at $1.4835, only a fifth of a cent lower on the week.

New tap next week

BY JEREMY STONE

THE Government kept its funding programme rolling yesterday with the announcement that £800m of a new 10 per cent Treasury stock would be issued by tender next Wednesday. Since the beginning of the June banking month, new issues of gilt-edged stock have totalled over £3bn, showing how keen the authorities are to keep abreast *of the swelling public sector* borrowing requirement.

In addition, the Bank of England is thought to have been actively supplying the market with stock from its own portfolio. As much as *£1,500m may have been reeled* in by these dealings in recent weeks.

The new stock is described as 10 per cent Treasury Convertible, maturing in 1986, and the conversion option allows holders to switch into a 10 per cent stock dated 2002.

The minimum tender price is to be £96.75 per £100 nominal, with £40 paid on tender and the balance on September 19. The conversion option can be exercised, *at steeper rates on successive* dates, in April and October of both 1984 and 1985.

As well as the £800m of stock available by tender, the issue includes £200m which is being reserved for public funds under the administration of the National Debt Commissioners.

Iacocca celebrates as Chrysler out of hock

By Richard Lambert in New York

CHRYSLER, the third biggest U.S. motor manufacturer, yesterday repaid the remaining $800m of the federally guaranteed notes it borrowed from private investors at the time of its financial crisis three years ago.

"I'm ecstatic about getting out of hock," beamed Mr Lee Iacocca, Chrysler's chairman, *as he handed over the cheque* in New York. He then drank a toast to the assembled bankers in what he was careful to point out was American-made champagne.

"Thanks America for lending us a hand," he continued, "not to mention loaning us a billion bucks when we really needed it, but most of all for *buying our cars during those* dark days."

Chrysler was now on its own, Mr Iacocca said, and was pressing ahead with a forward product plan which would involve a total investment of about $8bn, spread over thenext five years. The group was confident it could finance this programme

"By 1990, *there may be some* kind of affiliation or merger," he added. But no link-ups were planned with other motor manufacturers over the next five years, apart from the possibility of some joint ventures.

Yesterday's repayment came seven years ahead of the redemption deadline for the *notes, and completed a dramatic* financial turnround which was underwritten by the Loan Guarantee Act of 1979. After recording operating losses of more than $3.5bn in the last four years, the group made an operating profit of $484m in the first six months of 1983.

Chrysler has now repaid all the *$1.2bn it borrowed under the* Loan Guarantee Act, together with $754m in interest and fees connected with the loans. Including interest payments.

Continued on Back Page

£ in New York

	Aug. 11	Previous
Spot	$1.4810-4820	$1.4865-4880
1 month	0.07-0.09pm	0.08-0.10pm
3 months	0.29-0.32pm	0.29-0.32pm
12 months	0.90-0.98pm	0.89-0.96pm

Chile's anti-government clashes claim 17 lives

BY MARY HELEN SPOONER IN SANTIAGO

AT LEAST 17 people were killed, several dozen injured and more than 1,000 arrested during Chile's fourth nationwide anti-government protest on Thursday.

It was one of the most violent clashes between the regime of General Augusto Pinochet and its growing opposition movement. Chilean labour and opposition groups have called for a national day of protest once a month until democratic rule is restored in Chile.

Tensions between the military government and its opponents are expected to grow as the date approaches of the tenth anniversary of the military coup which brought Gen Pinochet to power on September 11.

In an unusual display of military force, Gen Pinochet mobilised 18,000 troops in the capital to keep order. Soldiers in full combat dress patrolled residential areas since early morning. Members of the Carabineros, Chile's military police, broke up an attempted march by university students in Santiago's central business district, while many shops closed their doors several hours before the 5.30 pm curfew.

Major Osvaldo Hernandez, the chief of the Santiago military garrison, issued a statement announcing the curfew which warned Chileans against demonstrations.

"Those who attempt to provoke the armed personnel should be aware of the lamentable consequences which could be derived, and that this will be their absolute and exclusive responsibility," the statement said.

In several working class and low income areas of the capital, residents defied the curfew and built tyre and stone barricades to prevent military patrols from entering their neighbourhoods. Authorities fired automatic weapons in the air and hurled tear gas at curfew violators. Some residents charged that police fired tear gas through their windows as they sat trapped by the curfew inside their homes.

Shortly before 8 pm, thousands of Chileans began beating saucepans in a symbolic protest against Pinochet's regime. According to local reports, police parked vans with loudspeakers playing military marches outside several large apartment complexes in an apparent effort to counteract the noise of the pots and pans.

Junta members, Air Force commander General Fernando Matthei and Carabinero commander Cesar Mendoza, made separate visits to La Victoria, a low-income neighbourhood in Santiago which has been the siteof violent political disturbances during past protests.

The number of people killed more than double the number of dead during Chile's past three national days of protest. Many of those killed or injured were wounded by gunfire as they stood in doorways or gardens beating saucepans.

S African banks raise prime rate to 18%

By Bernard Simon in Johannesburg

A SHARP turnaround in the South African Government's economic policies was reflected in yesterday's decision by major banks to raise their prime lending rate by one percentage point to 18 per cent. This is the second increase in 10 days.

In addition, the Reserve Bank allowed the rand to drop below 89 U.S. cents yesterday, bringing the fall to over 2 cents since the beginning of August.

The Reserve Bank said the recent tightening of the money market was a reaction to an alarmingly high increase in the money supply during June, estimated provisionally at an annual rate of 22 per cent.

Mr Rob Abrahamsen, managing director of Nedbank, one of the country's five largest banks, said: "It would appear that they are absolutely determined to get the inflation rate down."

The inflation rate is presently running annually at a rate of about 13 per cent. Earlier this week the Government announced substantial petrol cuts, also as part of the anti-inflation strategy.

The Reserve Bank official said that the rand had been moved down mainly because of the strength of the U.S. dollar, which makes up about a third of the currency's trade-weighted basket, excluding gold. The firm dollar has contributed to recent weakness in the price of gold, which accounts for more than half of South Africa's export earnings.

Up to the end of July, the authorities appeared determined to hold up the rand and contain the rise in interest rates in the hope of a rising gold price and an early recovery in the economy.

Since then, however, they have given a number of signals indicating that the monetary aggregates are now more important than short-term growth prospects. At a meeting of senior bankers in Pretoria last week, Dr Gerhard de Kock, the governor of the Reserve Bank, is understood to have all but invited the banks to raise their lending rates.

Heavy tax payments normally make the end of August one of the tightest periods of the year in the money market. Bankers thus expect interest rates to rise further in the next few weeks if the Reserve Bank does not act to ease liquidity.

France denies peace initiative with Libyans over Chad

BY DAVID MARSH IN PARIS

THE FRENCH Government, which yesterday reaffirmed its support for the embattled Chadian régime of President Hissene Habré, has denied the existence of a "peace initiative" involving talks with Libya.

The denial follows a report by the Libyan news agency Jana claiming the opening of peace negotiations following the taking on Wednesday by Libyan-backed rebel forces of the northern Chad town of Faya-Largeau.

In the Chad capital of N'Djamena, diplomats said there had been a lull in the fighting since Faya-Largeau fell on Wednesday.

In a clear attempt to drive a wedge between Paris and the Habré Government, Jana invited France to replace the current régime by "new faces acceptable to Chad's neighbours."

The French Government, which was continuing yesterday the gradual build-up of paratroop "advisers" in the Chad capital, not surprisingly has turned down the Libyan invitation.

The French Foreign Ministry yesterday underlined France's support for the "legitimate government" of M Habré.

However, it is also pointed out in Paris that contacts with Tripoli have been maintained since the beginning of the conflict seven weeks ago, and that France's goal is to reach a negotiated solution in the long run.

Our United Nations Correspondent in New York reports: The Security Council yesterday resumed its debate on the crisis, but with little prospect that much of substance will emerge.

Now that Libya has accused the U.S. of "intimidation and provocation" through the deployment of the carrier Eisenhower and surveillance planes, and the planned military manoeuvres in the region, the council is dealing with two Chad related items in separate sessions.

In rebutting in Libyan charges, the U.S. delegate, Mr Charles Lichenstein, turned the second debate into an attack on Col Muammer Gadaffi, his régime, and its activities in Chad.

Mr Lichenstein said the Security Council was confronted with a "most grave threat to international peace and security and a brazen contemptuous challenge to the bedrock principles of the UN Charter."

"This is Libya's war," he said. "It is Libya that is guilty of aggression," and Col Gadaffi was "supported, supplied and encouraged" by the Soviet Union.

Despite the evidence of direct Libyan military involvement in Chad, Mr Awad Burma, Libya's representative, again denied it.

Elections promised by Zia

ISLAMABAD. — President Mohammad Zia-ul Haq of Pakistan promised yesterday to hold national elections by March 23, 1985, and then to lift martial law.

General Zia, who took power in a 1977 coup, told his civilian advisory council he would hold the elections under the suspended 1973 constitution, which would be amended to give greater powers to the President.

There would be no constitutional role for the armed force, Gen Zia said.

Gen Zia, who spoke to the counci lfor 103 minutes, left open the question of when martial law would be lifted, saying only that it would end after the elections when "the democratic process has started."

He did not indicate whether the now banned political parties would be restored.

Cancelled

Gen Zia has twice cancelled previously scheduled elections on the grounds that the results would not be positive for the country. He said yesterday the results of the promised elections must be positive.

In an indirect warning to the banned parties, whose movement for the restoration of Democracy (MRD) plans to protes tomorrow against Gen Zia's military government, he said the authorities would make no concessions to troublemakers in the 18 months leading up to the elections.

Reuter

Lourdes blast casts pall over Pope's visit

BY DAVID MARSH IN PARIS

ANXIETIES over the safety of Pope John-Paul II during his weekend visit to the world-renowned Catholic shrine of Lourdes in the French Pyrenées were heightened yesterday after a bomb exploded near the centre of the religious sanctuary.

The bomb went off at about 2.30 in the morning, injuring no one but demolishing a bronze statue.

Responsibility for the blast was claimed by a local anticlerical anarchist group. It has cast a fresh pall over the visit of the Pontiff, the first ever to Lourdes by a ruling Pope.

Church leaders have already disquiet that the massive security precautions being taken to protect John-Paul — 3,600 police and gendarmes will be in attendance—will detract from the religious nature of his two-day stay in Lourdes, which starts tomorow.

President Francois Mitterrand will welcome the Pontiff at Tarbes airport in south-west France tomorrow afternoon.

The Pope and the President are due to have an hour of talks in Tarbes before John-Paul travels on to Lourdes to meet the crowds gathering there to celebrate the Feast of the Assumption of the Virgin on Monday.

Relations between the Vatican and France—where 80 per cent of the population consider themselves firm Catholics, according to a recent opinion poll—are said to be excellent.

But apart from international political themes such as the situation in Poland and the fighting in Chad, the two leaders may also touch on the thorny questions of the French Socialist Government's measures to liberalise abortion and tone down the importance of Catholic schools.

The Pope, who already knows Lourdes from previous visits before his pontifical election, will celebrate Mass on Monday as part of the celebration of the "Sacred Year" of 1983—1950 years after the Crucifixion.

Some of the hundreds of souvenir shops have said they will close over the weekend because they believe the heavy police presence and controls on crowds will disrupt business.

Pilgrimage organisers fear that thousands will stay away from the Pope's open-air appearances because of worries about possible attacks.

The Pope, who has already made one official visit to France (in 1980), was due to have visited Lourdes two years ago—but the trip was postponed after the attempt on his life.

Soares seeks jobs cuts in loss-making media

BY DIANA SMITH IN LISBON

HEADS of Portuguese media workers' unions have been warned by Sr Mario Soares' Government that there is unacceptable over-manning in the state-run media.

Sr Soares' Socialist Social Democrat coalition intends to prune public spending. It has implied that there are 2,500 too many people in the television network RTP, the radio system, RDP, the EPNC group which owns two Lisbon and two Oporto newspapers, and the Diario popular group which owns a Lisbon evening newspaper.

The newspapers fell into state hands when the commercial bands which owned them were nationalised in the 1975 revolution.

Half Lisbon's four morning and five afternoon newspapers —an extravagant, unprofitable number for a city of 1m—are state-owned.

All the newspapers feed on agency material, although they have a full complement of journalists and charge readers Es 20 (10p) a paper for identical copy with different titles. Their circulation drops each year, and losses mount.

The Government also plans to merge the two national news agencies, ANOP and Noticias de Portugal (NP).

The latter was created hastily last year by Sr Francisco Balsemao's centre-right government as a cooperative of privately-owned media.

However, NP quickly developed severe editorial and financial problems and had to be kept alive by state funds.

Sr Balsemao's followers hoped the arrival of NP would finish ANOP, which refused to be the private preserves of government parties. They tried to destroy it by severing its funds. But ANOP limped on, its journalists unpaid but refusing to give up and regularly scooping the amateurish NP.

The costly creation of NP was rivalled by the gesture of the former management of RTP, who introduced seven hours of undiluted teletext statistics on the second channel from 9 am in a country with a tiny financial market and no audience for such experiments.

RTP is running at a deficit of $10m (£6.8m). The Government considers it has 1,000 too many staff, and the radio network 100 too many. Governments since 1974 have deposited their clientele or favourites in radio and TV jobs and the cost has now become untenable.

Italian Government wins first key confidence vote

BY RUPERT CORNWELL IN ROME

THE NEW Italian Government headed by Sig Bettino Craxi, the Socialist Prime Minister, comfortably won its key first vote of confidence in the Lower House yesterday, amid some encouraging news on the economic front.

The majority in the 630-seat Chamber of Deputies was 118 votes, greater even that the 102-seat majority his five-party coalition of Socialists, Christian Democrats, Republicans, Social Democrats and Liberals on paper commands over all other parties.

The difference was accounted for by the small left-wing Radical Party, which in the end decided to abstain. Sig Craxi now goes before the Upper House, the Senate, for a second confidence vote this weekend but the outcome there is a foregone conclusion.

The launch of the new Government has coincided with signs of an improvement in Italy's foreign trade position. The deficit in June dropped to L426bn (£198m) from L1,034bn in the same month of 1982.

The overall deficit for the first half of this year shrank to L6,711bn from L9,871bn despite the higher cost of oil and imported energy.

Gelli 'vanishing act' draws veil over P-2 network

BY RUPERT CORNWELL IN ROME

FOR ITALY, August is the month of empty cities, crowed beaches—and sensational vanishing acts.

In 1977 Colonel Herbert Kappler, an SS officer responsible for wartime Nazi atrocities was spirited out of an Italian prison. Two years later it was the turn of Sig Michele Sindona, the bankrupt financier with Mafia connections.

He disappeared in a faked kidnapping from a Manhattan hotel on August 2, 1979, to resurface two months later in a New York phone booth, with a wounded leg, after a bizarre trip around Europe.

Now perhaps the most serious escape of all—that of Sig Licio Gelli, grand master of the outlawed P2 freemasons lodge of which Sig Sindona was a member, from Champ Dollon prison near Geneva.

The secret lodge, of which Sig Gelli assumed control in the early 1970s, is linked with many of the unexplained scandals which have dotted recent Italian history.

These range from secret service intrigues and acts of right-wing terrorism, to the affair of a potential $115m of kickbacks on a 1979 oil contract between the state oil company ENI and Petromin of Saudi Arabia—and most recently the collapse of the Banco Ambrosiano of Sig Roberto Calvi with $1.3bn of debts.

In necessarily simple terms, if Gelli and his fugitive associate Sig Umberto Ortolani appear to have been the brains behind the P-2, the lodge's financial arm, on whose resources they drew, was Ambrosiano.

Sig Gelli was originally arrested in September 1982 in the Geneva branch of a leading Swiss bank, from which he was trying to withdraw some $55m from an account there. That money, Swiss and Italian investigators believe, originated in Ambrosiano's banking network in Latin America, where Sig Gelli and his lodge had powerful connections.

Although the Italian authorities have charged him with offences stretching from political and military espionage to blackmail and extortion, the hearing for Sig Gelli's extradition back to Italy, due to be held in Lausanne on August 19, covered only charges of involvement in the fraudulent bankruptcy of Ambrosiano.

His extradition was likely to have been granted. Thus, by the end of this month, Sig Gelli would have been available for questioning by Italian magistrates and the parliamentary commission investigating the activities of his lodge.

Not for the first time, a chance to throw full light on an Italian scandal, in this case the P-2 and a succession of murky episodes in which the lodge was implicated, has been lost.

Back in Italy, Sig Gelli would not have been liable to interrogation on the political accusations against him. The Swiss authorities had already refused extradition on those grounds, and it is most unlikely that Sig Gelli would have volunteered information on his own.

But he would have been pressed on Ambrosiano, and almost certainly was in a position to throw light on the many unexplained aspects of what was the most serious and spectacular financial crash anywhere since the Second World War.

The Italian authorities believe up to $900m was lost on the purchase of shares in Ambrosiano and associated concerns, and the subsequent interest payments to finance them.

Sig Gelli, it is widely suspected, had a pretty shrewd idea of what might have happened to the rest of the $1.3bn —and had knowledge of past transactions surrounding the Rizzoli publishing group, which the P-2, through Ambrosiano, largely controlled.

Sig Gelli's escape has probably dashed such hopes for ever. Once again, a key witness has left the scene at the eleventh hour. Some here have drawn a sinister parallel between his disappearance and the macabre death of Sig Calvi under London's Blackfriar's Bridge in June 1982.

For if Sig Calvi was murdered, then it was surely to silence him for ever. And the signs of violence in Sig Gelli's cell at Champ Dollon could be construed as evidence he was abducted against his will and risked meeting a similar fate.

A more common view is that the traces of blood were deliberately arranged to confuse investigators and that Sig Gelli, with helpers inside and outside the prison, departed very much of his own choice.

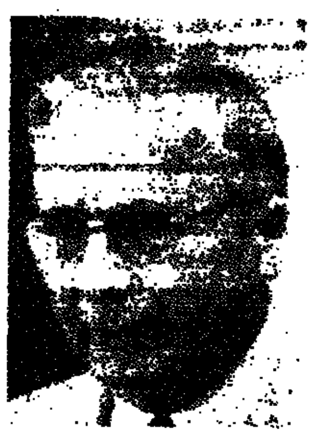
Either way the implication is plain that P-2, despite being officially dissolved in the summer of 1981, is still a going concern, with potent and widespread connections.

The entire episode has rekindled suggestions that Sig Gelli was not in fact the real head of the organisation.

The lodge membership list discovered in March 1981, contained the names of 953 people, including politicians, bankers, industrialists, many secret service officers, as well as journalists and publishers. But reports have long circulated that other lists are still secret.

Sig Gelli himself seems to have been a master manipulator and blackmailer, with a voracious ability to secure secret information. But although his legitimate and clandestine activities made him a very rich man, the sheer scope of the P-2's apparent operations have made many find it hard to accept that there was not some shadowy, still more powerful figure in the background.

Swiss say prison officer helped arrange escape



Sig Licio Gelli (left), sought by judicial authorities in connection with the Ambrosiano Bank scandal, escaped quite simply out of the main prison gate of Geneva's top security jail by car, according to the official Swiss statement issued yesterday, writes Anthony McDermott in Geneva.

The escape was carried out with the alleged complicity of a jail official who was arrested on Thursday, the statement added.

Mystery still surrounds the identity of whoever may have arranged Sig Gelli's escape, and ultimately where to. Sig Gelli is probably now in France, which is only one kilometre from the jail at Champ-Dollon.

Yesterday, M Dominique Foncet, Sig Gelli's Swiss lawyer, resigned, contributing further to speculation about the case.

The day before, he had given a Press conference which the daily newpaper La Suisse summed up in a caption as "saying nothing, but saying it well." It was an urbanely suave performance.

According to M Jean-Pierre Trembley, the Examining Magistrate, at yesterday's Press conference, Sr Gelli was "sprung" in the early hours of Wednesday morning through the help of a prison officer identified as M Edouard "C." who it was said, drove a grey Renault Alouette. M "C" is now under arrest.

Sig Gelli was the head of the P2 Masonic Lodge which has been outlawed in Italy. The Press here have emphasised in great detail the security measures at the prison opened in May 1977 at Champ-Dollon.

M "C" is alleged to have received some SwFr 20,000 (£6,450). He was said to have been passing messages for some months to the family of Sig Gelli.

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30 local radio stations planned by Dublin

By Brendan Keenan in Dublin

UP TO 30 local radio stations could be licensed in the Irish Republic under plans for independent commercial radio announced by the Government.

The plans envisage community stations which would be small by UK standards where the minimum audience is usually 1m compared with the republic's total population of 3.5m.

Nevertheless, business interests are expected to apply for franchises to cover major centres such as Dublin and Cork. The plans propose the setting up of a new authority to issue the licences on a five-year basis.

Newspapers will be limited to a 49 per cent share in a local station and RTE, the state radio service, will be limited to a maximum share of 25 per cent.

Saudis and Kuwaitis aid Iraq by sale of oil

BY PATRICK COCKBURN

IRAQ IS receiving $2.5bn (£1.68bn) a year in revenues from 250,000 barrels a day of crude produced by Saudi Arabia and Kuwait, say oil company officials.

The revenue is important for Iraq because of its financial difficulties following the fall in its oil exports as a result of the war with Iran.

Iraqi foreign assets outside the U.S. had fallen to $1.2bn by the end of last year, compared with $25bn at the end of 1980, according to the Bank for International Settlements.

Iraq is now producing 650,000 b/d and consumes 300,000 b/d. In addition to this, 200,000 b/d is produced by Saudi Arabia and revenues credited to Iraq. Another 50,000 b/d is produced jointly by Saudi Arabia and Kuwait from the Neutral Zone shared by Saudi Arabia and Kuwait, with the income going to Baghdad.

In the third year of its war with Iran, the Iraqi Government is extremely short of money to pay for civil and military imports. Earlier this year Saudi subventions were put at $1bn a month.

Mr Qassim Taqi al-Oraibi, the Iraqi Oil Minister, said this week that Iraq was producing 1.1m b/d for lack of adequate outlets compared to its Opec production quota of 1.2m b/d.

Meanwhile, the Japanese Government has extended by five years Iraq's deadline of August 15 for drawing down Y440.2bn in unused credits and loans originally arranged in 1974 and 1977.

Six former EPA officials cleared

By Anatole Kaletsky in Washington

THE U.S. Justice Department has dismissed charges of criminal misconduct against six former officails of the Reagan Administration's Environmental Protection Agency.

It was immediately accused of a politically-motivated "whitewash" by Congressional committee chairmen.

The Justice Department report was directed at allegations that the six officials, including the EPA's former administrator, Mrs Anne Burford, were involved in criminal conflicts of interest, manipulated Federal funds for political purposes, committed perjury and ordered the destruction of documents subpoenaed by Congressional committees.

Trade Department calls for 'slush fund' papers

BY JOHN MOORE, CITY CORRESPONDENT

...ECTORS of the Trade and ...stry Department are to ...'r evidence on operation of ...slush fund" created by an ...erwriting agency which ...ms part of Minet Holdings, the international insurance broker. The department is the ultimate regulatory authority of the insurance community.

The inspectors' secretariat, Mr Stewart Boyd, QC, and Mr Peter Dubuisson, yesterday called for documents on the fund. These were the basis of evidence given to an internal Lloyd's inquiry into the affairs of the Minet agency PCW Underwriting Agencies.

Lloyd's received the evidence in the course of an inquiry by Mr Simon Tuckey, QC. He is studying the relationship of PCW and Mr Peter Cameron-Webb, a former PCW chairman, with Unimar (SAM) a Monte Carlo-based insurance specialist.

Trade Department inspectors are investigating both affairs with the aid of the City of London Police fraud squad. Their reports will be published eventually.

Now the inspectors will examine evidence that a slush fund was created offshore for two Lloyd's syndicates under the PCW management, so that new business could be attracted from overseas insurance groups to the syndicate. Rebated commissions would have been offered to companies to provide business to the syndicate.

Lloyd's had no intention of publishing the full report of the inquiry by Mr Tuckey. Full details, however, may now emerge in the Trade Department report.

Mr Tuckey has studied the background to the Unimar affair. The affair led to more than £400,000 being transferred from funds of Lloyd's syndicates Numbers 10 and 869 by Mr Cameron-Webb, in the form of commission to Unimar.

Unimar in Monte Carlo asked for the payments to be made directly to Unimar Marine Trade (Panama) at an address in Switzerland. The money was to be used at the PCW agency's instructions.

Sir Peter Green, Lloyd's chairman investigated the matter personally at the end of 1981 and the start of 1982.

After receiving assurances from Mr Cameron-Webb, a former business associate of Sir Peter, he decided to drop the matter. He persuaded the Lloyd's committee no further action was necessary. About £400,000 was returned from an offshore fund to the syndicate.

Documents show that in the original deal an over-riding commission of 10 per cent due to be paid to the syndicates' benefit was switched a year after the contract started to benefit Unimar. The contract ran from the end of 1977 to the start of 1982, when £400,000 in commission was returned to the syndicate.

The ultimate beneficial ownership of Unimar was never disclosed to members of the syndicates. Nor were they told PCW had ultimate control over use of commission payments made to Unimar.

Lotus Group moves back into profit

By John Griffiths

... LOTUS, on the brink ...ster at the end of 1982, ... back into profit in the ...lf of the year. The basis ... been laid for "a ... and profitable future", ...alist car maker's chair... Fred Bushell, said ...day.

... envisages a venture ...ight aviation, expected to ... announced shortly; an ...crease in output of its existing ... range from the present annual rate of 700 a year to 1,200; a short-term doubling of contract engineering turnover from last year's £2½m to £5m and a potential world-wide market of 15,000-20,000 units a year for its planned M90 cheap sports car.

Mr Bushell announced a pre-tax profit of £109,000 in the six months ending June, compared with a £289,000 loss in the corresponding 1982 period and a £2m loss for last year (including a £1m development cost write-off). But he also made clear how perilously close to shut-down Lotus came in the period following the December death of the company's founder, Mr Colin Chapman.

Mr Bushell said that during negotiations over refinancing for the company after the decision of its bankers, American Express, to withdraw long-term financing, Toyota of Japan had to step in with a "not inconsiderable" cash payment to provide working capital advance payment for contract work under a collaboration agreement.

In early summer, as Lotus sought to increase output for its re-entry into the U.S. car market, it drew a £500,000 pre-payment against a £2m credit ... being organised by Mr ...vid Wickins's British Car ...tions Group as part of a ...m refinancing package to ... presented to Lotus share...ders on Monday.

At Monday's meeting, shareholders are expected to approve the proposals, which will give BcA an equity stake of up to 47 per cent in Lotus and Toyota one of 16.5 per cent.

Lotus's pre-tax result is based on a trading profit of £257,000, reduced by £148,000 for fees associated with the refinancing organised by its advisers, Guinness Mahon. It was achieved on sales of £5.88m, up from £4.91m.

The performance, said Mr Bushell, "is even more of an achievement when compared with the trading loss of £810,000 for the second six months of 1982."

Mr Michael Kimberley, Lotus's managing director, said Lotus planned to build 75 cars a month in the final quarter of this year, against less than half this level early in 1983.

Owen urges talks on world interest rates

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

A FURTHER rise in U.S. interest rates would kill any chance of even a modest European economic recovery, Dr David Owen leader of the SDP, warned yesterday.

He called for an urgent meeting this weekend of the finance ministers of the world's major currency holders — Germany, Japan, France, Britain and the U.S. "They are committed by the Williamsburg summit decision last May to seek co-ordinated currency intervention when faced by disorderly conditions in the world financial markets," Dr Owen said.

"If they fail to take co-ordinated action, we are on course for another spiralling yet self-defeating twist upwards in world interest rates."

While insisting on the need to press the Americans to curb interest rates and reduce budget deficits, Dr Owen expressed alarm at the apparent inability of other governments to influence the Reagan Administration.

Relations between Germany and the U.S., in particular, had become "sulphurous," he said. "It is hard to remember a time when the Bundesbank and the Federal Reserve have been so at odds."

He urged the Chancellor, Mr Nigel Lawson, to demand immediate assurances from the Americans on interest rates and on co-ordinated action to steady currency exchange rates. "It is not enough for Britain to stand back while the U.S. pursues narrow-minded financial isolationism of the worst kind," he said.

● Two appointments to the policy unit at Number 10 Downing Street—those of Mr John Redwood and Mr Oliver Letwin—were announced yesterday. This means that the head of the unit, Mr Ferdinand Mount, now leads a seven-man team.

David Dodwell charts Dalgety's course from Australasia

Another milestone for a slumbering giant

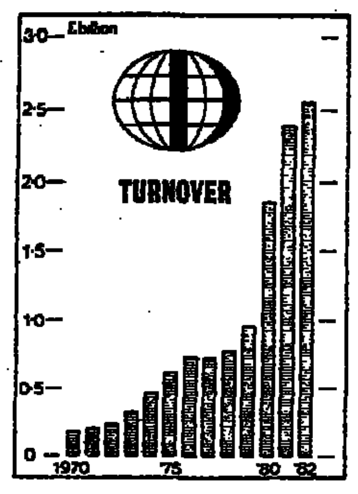
FOR most of the 140 years since Frederick Gonnerman Dalgety first set foot in Australia to sell farm supplies to convict and missionary settlers the company has been about almost nothing but Australian agriculture.

Its business revolved around strange-sounding places like Wanganui and Ngaruawhahia in New Zealand and Wagga Wagga in Australia. Company fortunes were at the mercy of the inhospitable climate and of exotic plagues like blue tongue virus. So it was until barely 13 years ago.

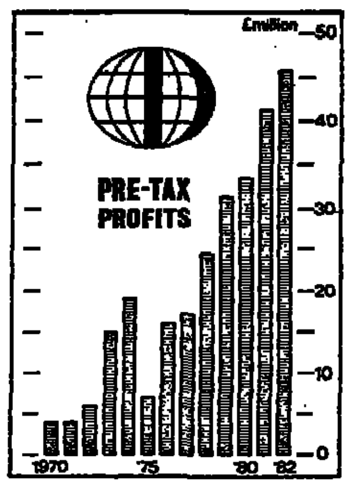
In a decade a whirlwin of change has now turned this slumbering giant upside down. The deals of the past week, two of them almost two years in the making, show the extent of change and suggest the wind has not died down.

From the company's Hanover Square headquarters in London a tiny team has over this time kept its sights on an unchanging vision of its own group's corporate reform. The members were young, of different backgrounds and contrasting temperaments. Their shared commitment to change, however, first created and then sustained a dynamism that remains evident.

Outstanding team-members were Mr Rupert Withers, who joined the company in 1967 as managing director, became chairman, and who sowed the seeds for the Dalgety of the 1980s, and two young men.




Terry Pryce
Chief Executive



Agriculture

Of these, perhaps foremost was Andrew Turner, who became Lord Netherthorpe. He joined Dalgety aged 35 in 1972 and became chief executive in 1976. The son of a farmer who had led the National Farmers Union and then Fisons, he had agriculture in his blood.

Secondly, there was Terry Pryce, who joined the company from Forte in 1970. He was two years older than Andrew Netherthorpe, first headed UK operations and then North American, too. He succeeded Lord Netherthorpe as chief executive late in 1981, just a year before the latter died in a car accident.

For colleagues who knew these men at the time Andrew Netherthorpe was the conceptualist and strategist and Terry Pryce the brass-tacks operator.

Together they defined the path taking Dalgety out of Australasia. The speed with which they have done this is breathtaking. Australia and New Zealand together accounted for no less than 86 per cent of the group's capital employed in 1970. Once this week's deals have been taken into account, Australasia will employ a mere 12 per cent.

Milestones like moving into the U.S. and Canada in 1966 and into malt-making in the UK in 1972 were hardly noticed compared with the fierce and controversial battle for Spillers in 1979.

All were, none the less, important milestones. They formed part of a wider and as yet uncompleted strategy that has over the past decade involved almost 30 acquisitions and about as many disposals.

In spite of this dramatic metamorphosis and of the group's growth, it remains for most people a faceless company.

Few would know that at least one in 10 of eggs one eats in the UK will be Dalgety eggs, sold by Dean's Farms, its subsidiary. Nor that one in three British pints, and a growing number of European ones, too, are brewed from Dalgety malt bought from Associated British Maltsers.

Martin Brower, its U.S. subsidiary, is the main fast-food supplier to the MacDonald's fast-food chain. Its pig-breeding subsidiary is the world's largest.

Dalgety's growth has been as rapid as its metamorphosis. Between 1970 and 1982 turnover soared from £187m to £2.55bn, with capital employed growing almost sevenfold from £75m to £518m. Pre-tax profits grew from £4.4m to £45.7m.

For all this change it would be a mistake to think Dalgety was no longer a formidable force Down Under. Dalgety Crown, the newly-merged associate in New Zealand in which Dalgety will eventually hold a 25 per cent stake, has annual sales of NZ$1.58bn and will account for 36 per cent of the country's agricultural services, on a par with Wrightson NMA, the other market-leader.

In Australia the newly-merged Dalgety Farmers, in which Dalgety Australia's rural operations will initially account for 65 per cent, will have annual sales of £760m and be second only to Elder Smith.

Rupert Withers's decision, taken with the then-chairman Kit Dawnay, to grow away from Australasia was due in part to Britain's entry to the European Economic Community, in part to a need to reduce corporation tax. More than anything else, however, it was due to a conviction that the only way to stabilise growth was to reduce the company's exposure to the vagaries of Australia's climate.

Terry Pryce recalled the effect of the Australian drought on company results in 1975: "Profits fell from about £17m to just £4m. It nearly brought us to our knees."

By contrast, inspite of the unprecedentedly severe drought in Australia last year, group pre-tax profits for the year to June are expected to reach about £47.5m, almost £2m up on last year.

In the wake of this week's mergers in Australasia, he noted: "Operations Down Under are definitely on the wane. They just don't provide a high enough return — even though they are well run."

In spite of a legacy of high indebtedness, still more than £200m, Dalgety committed itself to establishing important positions in major markets in the businesses it knew best, in the food and agriculture chain.

The strategy has been costly and controversial, attracting a deluge of criticism in the City. After making silk-purses out of several sows' ears, however, the company has begun to attract a grudging respect.

Nowhere is this more true than in the digestion of Spillers. Controversy over the £74m purchase raged right into the boardroom. Many analysts were convinced the company had brought on board a dead duck.

In four years, however, after extensive surgery involving 650 redundancies, reorganisation costs of £6m and the closure of 14 mills and depots, and after a £20m investment programme, Spillers's digested operations are making a strong contribution to group profits.

Critical

Credit for the turnaround falls to Maurice Warren, who joined Dalgety when it bought Crosfields and Calthorp in 1974 and has been a crtical player ever since. He now heads Dalgety Spillers and works closely on the main board with Terry Pryce.

The Spillers success is perhaps the main reason for the City's enthusiastic response to this week's £42m purchase of Ranks Hovis McDougall's agriculture division. Though no one, least of all Terry Pryce, expects that the RHM purchase will need surgery on the same scale as Spillers, most are convinced Terry Pryce's men can generate more than the current £5.4m-a-year profit from the division's £500m-a-year sales.

As one respected analyst said: "This is likely to be a case of two and two making something more than four."

Dalgety still has its detractors, however, many of who feel operations remain unduly vulnerable to seasonal and unpredictable forces. They turn to its logging businesses in Canada which saw profits decimated as the U.S. recession brought housebuilding to a standstill.

They turn also to Dalgety Foods Inc in the U.S., which has struggled against severe competition in the frozen food industry.

These reservations remain justified, though as the U.S. economy moves out of recession Canadian lumber operations already show signs of surging rapidly to high profitability. Dalgety Foods is also back in profit.

After the latest RHM purchase, however, which makes Dalgety extraordinarily dependent on the UK economy, the company can be expected to answer some of its detractors by making fresh acquisitions and perhaps some disposals across the Atlantic. At the top of the disposals list is likely to be the revamped Dalgety Foods with a price tag estimated at about £20m.

Through the past decade's upheavals observers might be forgiven for thinking no insight or experience of 140 years' operations in Australasia had survived. This is not so. A common thread is the company's total commitment to devolved decision-making.

After more than a century of leaving managers 14,000 miles away to run their own businesses the comparative autonomy of subsidiaries is seen as an article of faith.

There can be no more emphatic illustration of this than the fact that Dalgety's Hanover Square headquarters houses just 20 executives. Compare that with the 175 swarming through the corridors of Spillers on the day it was taken over.

The resuscitation of Spillers operations is in large part attributed to Dalgety's decision to sack 650 headquarters staff and to devolve responsibilities to staff in subsidiaries.

"We really ought to be good at running decentralised operations," says Terry Pryce. "We've been practising it for a very long time."

Horse shares on a selling plate

BY DOMINIC LAWSON

THE SIMILARITY between equity investment and having a flutter on the horses has been highlighted by a recent spate of share offers in companies which invest in thoroughbred racehorses.

First out of the starting gate, at the end of June, was The Thoroughbred Investment Company (TIC) — chaired by Lord Oaksey. TIC asked City institutions to put up £1m to invest in a portfolio of racehorse shares. It hoped to acquire eventually its own stud farm.

But Lord Oaksey's mount fell at Becher's, as the City failed to come up with the £1m. Nothing daunted, TIC is now preparing to make another offer, this time to what it calls "the general public."

However, TIC will have to take part in a three-horse race for investors' cash. On August 1, the share lists opened for Ascot Cottage Thoroughbreds (ACT), which is asking for applications of at least £750,000 in all. ACT will similarly specialise in stallion shares, but will also run a training operation from its stud farm. If all goes well, ACT intends to apply to join the Unlisted Securities Market three years hence.

A third runner, British Thoroughbred Racing and Breeding (BTRB), has also entered the lists. It is calling on investors to put up £1m (minimum application £200) to buy "approximately" eight yearlings.

BTRB's board, which issued its prospectus this week, includes Mr Clement Freud, MP, and Mr Henry Kelly, a television performer.

As with many seemingly original business propositions, the thoroughbred equity idea has trans-Atlantic origins. Three years ago, International Thoroughbreds Inc. was floated on the over-the-counter market in the U.S. at $1 per share. The shares are changing hands at about $20 each.

Commercial breakfast TV slips ahead

BY RAYMOND SNODDY

TV-AM, the commercial breakfast television programme which almost sank below the reach of the rating system, has staged a remarkable comeback and edges ahead of the BBC opposition for the first time.

In the week ending August 7 the average peak quarter-hour viewing figure for TV-am was 1.3m, compared with 1.2m for the BBC's Breakfast Time.

Although the top TV-am figures were achieved at times after the BBC programme ended, the company says that TV-am was attracting more than 1m viewers before 9am, when the BBC was still on the air.

The commercial company, which three months ago had an average peak of 200,000, now has a "reach" greater than the BBC.

"Reach" is defined as numbers who look in for more than half a quarter-hour during the week.

Mr Timothy Aitken, chief executive, said yesterday in a statement that the company must now convince advertisers that they could believe their eyes.

The remarkable transformation seems to coincide with the arrival of Mr Greg Dyke as editor-in-chief from London Weekend Television, and with the departure of most of the "Famous Five" television personalities who launched their "mission to explain" on February 1.

The peak numbers for the weekend, when the BBC breakfast programme is not on the air, have also improved, with a 1.3m peak on Saturday and 800,000 on Sunday.

The BBC said yesterday: "The gap has narrowed, but we never thought of this as a sprint. It's an endurance test."

It claims that when peaks are ignored, Breakfast Time has a total audience share of 60 per cent; TV-am 38 per cent; and the Open University 2 per cent.

Dispute over steel stockholding continues

BY PETER BRUCE

A MIDLANDS businessman will try again next week to get help from the courts in his bid to stop a British Steel Corporation (BSC) subsidiary dismantling and selling off steel-processing plant that belongs to his former group of companies.

David Fabb (Steels) and two subsidiary steel-processing businesses went into receivership ... June, owing BSC £230,000, ...d was subsequently bought ...m the receivers by British ...el Services Centres, BSC's ... stockholding business. Mr ...vid Fabb failed last week to win a temporary injunction to block purchase by Service Centres.

Mr Fabb has also issued writs against Service Centres, the two receivers representing Cork Gully, and Barclays Bank, which called in the receivers. Mr Fabb has claimed that the sale to Service Centres was rushed, and that he was not given ... funds to make his own bid.

The dispute goes to the heart of a long-running battle between BSC and the crowded steel stockholding industry in Britain. Although David Fabb (Steels) was not a stockists in the strict sense of the word, it was servicing the industry by cutting or slitting steels to different lengths, widths and shapes for both stockists and end-users.

BSC believes that there are too many stockists in the country, that their presence encourages oversupply, that they attract cheap imports and that they have, a destabilising effect on prices.

In June, the National Association of Steel Stockholders (Nass)—which has about 200 members, including Service Centres—hinted that BSC was systematically trying to cut stockholders out of the industry.

"The British Steel Corporation have decided that there are too many stockholders in the United Kingdom, and they want to see a reduction in our numbers," the Nass annual report says.

The Nass report insists that stockholders understand "the corporation's desire to reduce imports, and we are appreciate that further cutbacks in capacity of liquid steelmaking could produce an environment where more buyers of steel were forced to source abroad.

"We do not agree, however, that it is for the corporation to decide, or indeed directly influence, the number of steel stockholders in this country."

In a veiled reference to numerous allegations that BSC supplies a few of the bigger stockists (including Service Centres) with steel on more favourable terms than it gives smaller dealers, the Nass went on: "No-one expects that the largest buyers should not get better terms, but we do expect that all our members should be able to obtain terms of trading that are based on fairness."

Many smaller stockists—both members of the Nass and, like Mr Fabb, non-members—believe that this two-tier market which, they allege to have developed for BSC's steel, has forced stockholders to buy overseas where terms are often better than they can get from Service Centres.

However, Mr John Price, deputy managing director of GKN Steelstock, Britain's biggest stockist, said that prices had stabilised significantly.

Whatever the merits of the Nass complaints about BSC policy towards stockists, the industry is likely to prove extremely difficult for the corporation to pin down. Stockholding and processing is an easy business to get into, as Mr Fabb, who is already on the prowl for new plant, is likely to demonstrate.

John Brown tool division to make Japanese lathes

BY LORNE BARLING AND IAN RODGER

THE MACHINE tool division of John Brown, the troubled engineering group, is to manufacture two models of sophisticated computer-controlled Japanese lathes in the UK, probably under long-term licence.

This is the third recent deal under which a UK machine-tool builder has arranged to manufacture Japanese machine tools in this country.

The deals reflect recognition by the British that the Japanese lead in many areas of machine-tool production and that one of the quickest ways to catch up is to manufacture under licence.

For their part, the Japanese are worried about increasing protectionist sentiment in Europe and the U.S. They are eager to protect these significant markets, especially since the sharp decline in their home markets in the past year.

John Brown Machine Tools has agreed with Taiyo Seiki, a small, private manufacturer of computer numerically controlled turning machines, to build two of its single-spindle vertical lathes in the UK.

Mr Bob Trojan, chief executive of John Brown Machine Tools, said the models were in fact designed and developed by Taiyo Seiki to a John Brown specification about four years ago.

John Brown has been marketing them in Europe and the U.S. Because of shortage of work in its UK factories and some customer opposition to Japanese products, the company decided to try to arrange to manufacture them in Britain.

Initially, the plan is to assemble kits sent from Japan but the goal is to reach 50 to 60 per cent UK content over a two-year period.

Mr Trojan confirmed that Taiyo Seiki's interest in the deal reflected concern about protectionism in Europe and the U.S. "The whole trend for Japanese builders is to get around import restrictions by manufacturing in their export markets."

John Brown is interested in more such deals, perhaps with other Japanese manufacturers as well as Taiyo.

Two similar arrangements have been made this year. In April, Bridgeport Textron, the UK subsidiary of a U.S. machine tool builder, agreed with Yasuda of Japan to manufacture the Japanese company's small machining centres under a 10-year licence.

In June, DeVlieg Machine, another U.S. company, agreed to manufacture in the UK the Okuma range of machining centres for distribution throughout Europe.

● Jones and Shipman, the Leicester grinding machine makers, have announced a further 99 redundancies because of the weakness of the home market. This reduces the group's workforce to about 700, compared with 1,550 four years ago.

Datsun to switch car imports to Bristol

Financial Times Reporter

DATSUN, the leading Japanese car importer to the UK, is to use Bristol instead of Southampton as its second port of call after Middlesbrough.

The move, which has been confirmed by officials at the loss-making municipal port of Bristol, will mean a loss of 40,000 cars a year for Southampton which only broke even last year but is forecasting a profit for 1983.

Bristol's docks committee chairman, Mr Bob Trench, said: "The company has now indicated that it intends transferring its south of England operation from Southampton to Bristol." Trial shipments of Datsun cars through Bristol have been underway for several months.

Senior port officials are to fly to Tokyo next month to introduce themselves to Datsun's parent firm, Nissan.

Datsun yesterday declined to confirm it had made up its mind—saying there were still some meetings planned. But it is understood the critical decision has been made.

Datsun imports about 85,000 cars into Britain each year—just over half coming through Middlesbrough and the rest through Southampton.

The switch is a blow to Southampton's car trade—one of its brightest growth areas in recent years. Associated British Ports, Southampton's operator, said the news was disappointing but car imports and exports would continue to be a "prominent feature" of the port's trade.

Passenger cruises planned to Cape

BY ANDREW FISHER, SHIPPING CORRESPONDENT

STATELY passenger liners sailing on scheduled routes are mostly things of the past but a small Cornish-based company plans to revive the concept with a service to South Africa.

Curnow Shipping Company is chartering a ship from a Greek company to provide the service in partnership with TFC Tours of South Africa.

Starting in November, the 12,000 ton World Renaissance is to make the 17-day voyage to Capetown with stops in the islands of Tenerife and St Helena. One-way fares will range between £995 and £1,800.

Mr Simon Sugrue, a director of Curnow, said the service would be all the year round. The company would eventually buy its own ship for the route, possibly the World Renaissance.

Passengers for the World Renaissance will probably embark at Plymouth. Capacity will be about 450 people. The ship, owned by Epirotiki Steamship Company, underwent major reconstruction in 1982.

Curnow now operates the only passenger cargo liner to call at the isolated South Atlantic islands of St Helena and Ascension.

Inflation set to rise before wage round

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE GOVERNMENT accepts that the annual inflation rate will show a series of rises in the coming months just when trade unions start to consider tactics for the next wage round.

The rises, which can be expected for at least August and September, are a consequence of the unexpected success against inflation this time last year.

Between June and September 1982 the retail price index remained almost unchanged at about 323, partly as a result of an unusual fall in the price of seasonal foods. In the following months the increases were contained by cuts in the mortgage rate.

Since the trend was so flat last summer, even small increases in prices this year will produce a rise in the percentage increase in prices from last year to this.

Even though this annual rate is the conventional way of looking at inflation, a more detailed examination at the figures suggests that the underlying pressure of inflation is still weak.

In the three months to July this year, prices rose by 1.2 per cent, the equivalent of an annual rate of just under 5 per cent. This includes the effect of the recent rise in the mortgage rate which accounted for about a quarter of the total price increases during the period. In the six months to July, prices rose by only 3.1 per cent, even including the increase in excise duties at the time of the Budget.

The most recent wholesale price index—now re-named the producer price index, showed a fall in the cost of manufacturers' supplies during June.

Moreover, the general firmness of sterling in spite of the dollar's spectacular rise should mean that prices of imported goods and materials remain fairly stable for the next few months at least.

Most independent forecasters now expect the annual inflation rate to reach about 5½ per cent by late autumn and to continue to climb slowly to perhaps a little over 6 per cent by late autumn next year.

Britain's 3.7 inflation rate in May was bettered in the developed world only by the U.S. (3.5 per cent). West Germany (3), Japan (2.7) and the Netherlands (2.5).

Although inflation has been falling in the industrialised world, there are increasing questions in the U.S. as to whether the speed of the recovery and the large prospective budget deficits will lead to an acceleration in the inflation rate. In most other countries the strength of the dollar is causing anxiety that higher import prices could fuel domestic inflation.

In the UK, the crucial uncertainty is probably the behaviour of wages in the next round. In the year to May the underlying increase in average earnings was 7½ per cent, substantially more than the increase in prices.

The rise in the tax and price index (which measures the pay rises needed to keep pace with inflation and tax changes) rose by only 3.2 per cent in the year to May. After allowing for improved productivity, the increase in wages per unit of output in the three months to May was 3.3 per cent.

RETAIL PRICE INDEX
(1974=100)

January, 1979	207.2
January, 1980	245.3
January, 1981	277.3
January, 1982	310.6
January, 1983	325.9
February	327.3
March	327.9
April	332.5
May	233.9
June	334.7
July	336.5

RPI COMPONENTS
(% price rise, 12 omnths to July)

Food	3.1
Seasonal food	−0.4
Food excluding seasonal	3.6
Alcoholic drink	7.4
Tobacco	5.7
Housing	1.7
Fuel and light	4.7
Durable household goods	3.2
Clothing and footwear	2.0
Transport and vehicles	6.4
Miscellaneous	5.9
Services	3.5
Meals out	6.3
Nationalised industry prices	2.3

COMPANY NOTICE

BR parcel depot takes an unscheduled awayday

BY ANDREW FISHER

PART OF one of British Rail's fixed assets went on an unscheduled 60-mile journey in the north of England, forcing BR to take to the courts to prevent further embarrassing dispersals.

BR used to have a 42,000 sq ft parcels-office in Sunderland. In May it leased the premises to Mr Kenneth Burrell. Most of the building was then dismantled and sold.

Mr Timothy Jennings, BR counsel, in a High Court action to stop the rest of the building going the same way said yesterday: "BR has been victim of the sting. It has certainly been stung."

The judge agreed. Having seen before-and-after photographs of the site he granted BR a temporary injunction banning further demolition work or removals from the site in advance of another court hearing.

The premises would cost about £300,000 to rebuild, though BR reckons the land itself could be worth about this sum.

"I doubt if we will rebuild," BR's property department said. Mr Burrell was not represented in court.

According to Mr Jennings he had carried out "acts of total devastation." He had demolished part of the structure and sold some of it for £4,000 to two men who in turn sold it to Mr David Fenby at a farm in Robin Hood's Bay, north Yorkshire.

In spite of being warned of legal action he carried on. He had leased the Sunderland site for £6,000 a year.

Economic Diary

TOMORROW: 12 members of the U.S. House of Representatives start three-day visit to Zimbabwe for talks on U.S.-Zimbabwe relations. Autumn Gift Show opens at Anderston Centre, Glasgow (until August 17). Scottish Furniture Trades Exhibition at Kelvin Hall, Glasgow (until August 17).

MONDAY: Department of Trade issues provisional retail sales figures for July. Experts of Latin American energy organisation start six-day meeting in Brazil to discuss regional energy policy to year 2000.

TUESDAY: Building Societies Association announces monthly figures for July. United Nations conference on Palestine opens in Geneva (until August 27). Amalgamated Union of Engineering Workers executive committee meets. Mr Allan Stewart, Minister for Industry and Education, Scottish Office, visits new clearing centre of the TSB Scotland in Edinburgh.

WEDNESDAY: Central Statistical Office gross domestic product (output-based) in the second quarter. Department of Employment issues indices of average earnings in June and indices of basic rates of wage in July. Trade Unions Congress economic policy committee meeting.

THURSDAY: Central Statistical Office gives figures for cyclical indicators for the UK economy in July. Department of Industry publishes provisional figures for capital expenditure by the manufacturing and service industries and manufacturers' and distributors' stocks in the second quarter. Bank of England issues statistics for UK banks assets and liabilities and the money stock in July and London dollar and sterling certificates of deposit in July.

FRIDAY: Department of Industry published sales and orders in the engineering industries in May and provisional finished steel consumption and stock changes for the second quarter. Motorcycle show [illegible] 83 opens at Earls Court (until [illegible]

BL rejects first dismissal appeals

BY BRIAN GROOM, LABOUR STAFF

APPEALS by several of the 13 left-wing political activists sacked for allegedly giving false information to obtain jobs at BL's Cowley assembley plant, Oxford, failed yesterday.

They will stay sacked, and there was no sign of shopfloor protests against the decisions. Appeals from the rest of the 13 will be heard by the company on Monday.

The seven men and six women are believed to be members of the Socialist League, formerly the International Marxist Group. The company clearly believes there was a Trotskyist "plot" to infiltrate shopfloor, win union posts, and cause disruption.

Cowley has long been a target for agitators from such groups. The company is making no official comment but Austin Rover executives believe there are still several dozen Trotskyists at Cowley.

Their stronghold is the north works, where the Rover and Acclaim are assembled. The 13 alleged Socialist League members, however, were in the south works, where the new Austin Maestro is being built.

Other Trotskyist organisations active around Cowley are the Workers Revolutionary Party, and a WRP offshoot called the Workers Socialist League. The number of disputes at Cowley has declined since the mid-1970s but BL still believes the parties' influence to be a considerable disruptive element.

A contrary view of the affair, voiced privately by some trade unionists, is that the "red scare" is being exploited by the company to distract public attention away from the plant's industrial relations problems.

BL's Cowley management came in for considerable criticism in a joint union-management inquiry following this year's strike over the ending of washing-up time.

Reports that another six members of the same Socialist League group as those facing dismissal are still active in the plant were discounted by BL officials, who said there could be no more than one or two left.

The 13 were among 1,500 new workers recruited for the Metro launch in recent months. BL is widely believed in the motor industry to have vetted recruits carefully to prevent troublemakers getting in. The sackings suggest it was not entirely successful.

The Socialist League has recently adopted a new policy of gaining influence in industry. Other members are believed to have infiltrated unions in the public sector, local government and even Whitehall.

The workers sacked at BL are accused of falsifying their records of former employment. They allegedly gave false addresses of former employers and sent forged references.

The appeals were heard in front of the workers' local manager and a personnel department manager. They were represented by shop stewards, some of them by Mr Bobby Fryer, a Transport and General Workers Union senior steward described as a militant left-winger when elected in 1977.

All of the 13 are members of the TGWU. Five of them were prospective shop stewards.

Grappling with a familiar dilemma

John Lloyd explains the background to the sacking of 13 workers at Cowley

THE SACKING of the Cowley 13 who allegedly furnished the company with false references, highlights a dilemma familiar to companies, unions and political activists: how are boundaries to be drawn between political affiliation and industrial practice?

In theory employers are prohibited from interesting themselves in the political allegiances of their workforces. However, revolutionary socialism identifies the workplace, and employer-worker relationships, as a no-man's land of class conflict over which irreconcilable armies are determined, historically, to struggle.

BL has been careful to stress officially the constitutionality of its procedure, by insisting that the 13 were dismissed because they furnished false information—thus attempting to avoid the above dilemma. In effect, however, its central concern was their suspected revolutionary affiliations.

"Entering into industry" has been a conscious and widely practiced tactic over the past 15 years in France and Italy, where Trotskyists and Anarchists were numerically much stronger than in the UK, West Germany or other European countries. Many French and Italian intellectuals became radicalised in the late sixties, but the terms of this radicalisation stress the primacy of the working class in revolutionary transformation, which made many of them long to be working class. On the organisational level, Trotskyist groups encouraged their members to take manual, especially factory jobs, in order to propagandise and furnish leadership.

The same practice has been followed more sporadically in the UK. A competing number of groups, few with memberships above 2,000-3,000, regard the securing of lay union posts as a — perhaps the — major achievement of their members, and energetically encourage it.

These include Trotskyist groups such as the Socialist Workers Party—formerly International Socialists, once the strongest but now reportedly weakened; the Workers Revolutionary Party, which publishes the daily Newsline; the Workers Socialist League, a breakaway from the WRP which has been active at Cowley and whose most famous member was Mr Alan Thornett, a Cowley steward sacked last November; and the Socialist League, formerly the International Marxist Group, which may be the group to which the sacked workers belong.

The Socialist League reformed itself in the last few years, following a debate within the International Marxist Group on whether to retain a separate existence. Some members— the most public figure was Mr Tariq Ali, the IMG's founder in the late sixties—argued for pursuit of essentially its traditional policies, but from within the Labour Party.

Others criticised that suggestion as reformist. They wanted to concentrate on the industrial struggle, and Cowley, with its militant history, its proximity to a large student body and its central position in the success or failure of the Government's economic strategy, was a natural organising goal.

Ironically, the group, while still the IMG, was deeply involved in a previous BL debacle. Its journal, then called Socialist Challenge, published excerpts from a speech made in September 1977 by Sir Richard Dobson, then chairman of BL, in which he referred to "wogs" as the recipients of BL bribes, and called trade unions "bastards."

Following the publication of his speech, taped and released by the left-wing son of a member of the Twenty Club meeting at which Sir Richard spoke, he resigned from the BL chairmanship in favour of Sir Michael Edwardes—who was already mooted as his successor.

The members of IMG and other groups are not, typically, working class: many are graduates. Unemployment, which has hit the graduate market as well as every other, has increased the numbers of those who have little incentive to conform to conventional expectations of the intellectual. Casual observation confirms the view that, in recent years in such unions as the Transport and General Workers Union, the National Union of Public Employees, the General, Municipal and Boilermakers Union and the Post Office Engineering Union, youngish, highly educated leftists are taking positions of lay authority within the unions and making their voices felt.

These elements connect—sometimes uneasily — with "home grown" militants, often —as in the case of the POEU and the TGWU—ably organised by the Militant Group within the Labour Party.

This activity to some extent complements, but more often conflicts with, the traditional employers' bogeymen, members of the Communist Party of Great Britain. The CPGB remains the largest of the far left

Tariq Ali

groups, with around 18,000 members: it retains a significant network of officials, ranging from shop stewards to general council members as Mr Mick McGahey, vice-president of the Mineworkers, and Mr Ken Gill, general secretary of the white-collar engineers AUEW Tass.

The CPGB is, in practice, opposed to the Trotskyist infiltration tactics: its trade union members are, overwhelmingly, working-class militants who have been recruited on the job, and its incoming industrial organiser, Mr Peter Carter, is a former building worker.

The CP's hostility to infiltration is partly ideological, but also reflects working-class hostility to those seen as middle-class revolutionaries. However, these once clear social divisions are beginning to blur, and while the far left will continue to attract the hostility of managements, it is by no means always the case that they are out of step socially with an increasingly sophisticated workforce.

Bristow to lay off pilots

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRISTOW HELICOPTERS announced yesterday that it would lay off 53 of its 505 pilots, and charged British Airways with "unfair competition."

Bristow's is the main helicopter service flying crews and equipment out of Aberdeen to North Sea oil installations. It competes with BA helicopters division, as well as British Caledonian and North Scottish Helicopters for charter contracts offshore.

A statement for Bristow said that BA helicopters had benefited from State funds, which enabled it to reduce rates.

"Over the past two years BA helicopters, in preparation for being privatised, have been privileged at taxpayers' expense to write off £17m of assets and capitalised loans debts of a further £49m, thereby relieving BA helicopters of depreciation charges and payment of substantial interest."

This enabled BA to reduce charter rates substantially, according to Bristow.

BA helicopters would make no official comment on the accusation.

Within the industry Bristow has been active recently, gaining the new contract in the Falklands and taking away from BA contracts at Great Yarmouth and Aberdeen.

Bristow said that most of the pilots to lose their jobs would be in Aberdeen, and some overseas.

It was the first time in 30 years that the company had laid off pilots.

Heat halts platform work

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE 2,000 workers at Highland Fabricators' offshore oil platform yard at Nigg in the Scottish Highlands have gone on strike over work in hot conditions.

The men, led by members of the Boilermakers' Union, object to cost-cutting measures undertaken by management during the summer holidays which resulted in the removal of some shelters for men leaving hot welding areas and the provision of free orange juice.

The walkout on Thursday night followed a dispute earlier this summer over hot conditions inside the hull of one of the platforms under construction.

The management said yesterday that agreement was reached on sheltered areas and a system by which workers would spell each other inside the hot areas after representations from the workers.

It added that the union still objected to the loss of free orange juice and wanted a more liberal attitude over shower facilities. The management said it could not agree to these demands.

Officials of the Boilermakers' Union were not available for comment.

Proposals to end a nine-day-old unofficial walkout by electricians on the construction site of Shell's gas separation plant in Mossmorran, Fyfe, are to be put to the workers ons Monday.

Plea to Fleet St rebels

BY DAVID GOODHART, LABOUR STAFF

ANOTHER attempt to bring the group of breakaway Fleet Street electricians to heel will be made by national officers of the Electrical and Plumbing Trades Union on August 24.

A number of officials of the new group — which regards itself as the electrical/electronic press branch of Sogat 82 —have been ordered to appear before officers of the EETPU to explain why they have not "rejoined" the union in the wake of the recent statement from the TUC that "there is no such body" as the electrical/electronic press branch. However, they are unlikely to attend.

The EETPU regards the electricians as still in membership and has even made some attempt to extend an olive branch in their direction. A recent letter from Mr Les Stevens, the new official secretary of the branch, to both loyal and breakaway electricians appeals for a return to the "understanding and comradeship we have known in the past".

Ironically, he also appeals to the branch to rally around the former secretary, Mr Sean Geraghty, who now leads the breakaway group, in the wake of the Newspaper Publishers Association's decision to seek legal costs of nearly £5,000 arising from last year's one-day National Health Service stoppage.

The Sogat executive is expected to decide early next month whether the breakaway electricians should be expelled.

May and Baker faces strike

BY OUR LABOUR STAFF

THE DAGENHAM chemicals company May and Baker may face an all-out strike by its 750 process and manual workers next week after breakdown of pay negotiations.

The company has been hit by two one-day strikes in the last two weeks. A union meeting on Monday is expected to vote for extension of the action.

The company has offered a rise of 4.9 per cent which has been repeatedly rejected by Transport and General Workers' Union negotiators.

ICI has settled at 5.5 per cent with its 40,000 manual workers.

FT-union talks start

BY OUR LABOUR STAFF

TALKS aimed at securing a joint press room agreement in the machine-room at the Financial Times began yesterday among the company and the two print unions—the National Graphical Association (NGA) and the Society of Graphical and Allied Trades (Soga[illegible]

The failure to se[illegible] agreement with t[illegible] machine-managers [illegible] room was at the [illegible] dispute which sto[illegible] tion of the paper for 10 [illegible] until last Tuesday.

As part of the settlement reached last week, the NGA gave a commitment to secure a joint press room agreement within 14 days of a return to work.

It is widely expected that an agreement will take longer to achieve than that, but Mr Alan Cox, joint managing director of the FT, said last night that he was hopeful that such an accord [illegible] soon.

[illegible] s will be [illegible] the 12.5 [illegible] between [illegible] press-room [illegible] the NGA [illegible] ment. It was [illegible] in last week's settlement with the NGA, which is not opposed in principle to [illegible]

SAVINGS OFFERS

THE WEEK IN THE MARKETS

When Irish oils are shining

LONDON

ONLOOKER

In London events, such as they were, have been overshadowed by the U.S. Poor money supply figures sparked fresh fears over international interest rates while the continued strength of the dollar grabbed the headlines and dominated the minds of most institutional players in the London markets.

Gilts faded towards the end of the week though equities managed to shake off bearish *vibrations from Wall Street for* most of the week. Admittedly trading was thin but at least *until* yesterday the FT-30 Share Index managed to hold steady and at one point during Thursday it looked as if it might even strike out to reach last June's high of 731.4. Yet as the hours ticked by the gains quickly evaporated and come Friday red pens were in constant use as prices drifted while dealers awaited the next set of U.S. money supply figures.

Not that the equity market was as dull as ditchwater throughout. Speculative oil stocks raced ahead on hopes of a commercial oil discovery in the Irish Sea. Much of the activity was centred on Atlantic Resources, while others, such as Bula, Saxon Anvil and Cluff were moving sharply as well, even the staid *Fitzwilton* was marching *forward*, thanks to its share stake in Atlantic.

It smacked of a rerun of the late seventies exploration fever when anyone with a Canadian accent who knew that a nodding donkey could be found outside London Zoo had the qualifications to fill a suitcase with cash from willing London investors. Yet there is a genuine positive feel to the oil sector beyond speculation. Demand looks healthy and the destocking phase which has dogged the price over the last couple of years seems finally exhausted.

Norcros for UBM

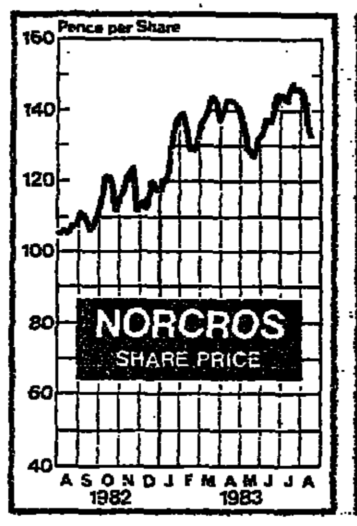
The stock market had caught wind of a bid for UBM Group several dayse beforehand but the £63m midweek offer came eventually not from Pilkington, the glass manufacturer, as rumour had supposed but from Norcros.

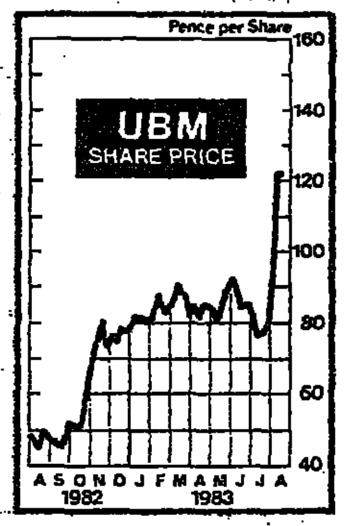
The leak has not served Norcros well. Its terms, a mixture of cash and equity, were pitched at a premium of just 15 per cent to the builders' merchant's overnight price of 97p. That premium quickly disappeared on the certainty that UBM will fight hard for its independence and the possibility that a third party is on the sidelines.

The best that Norcros, a broadly based, successful conglomerate with interests in ceramics and construction products, can reasonably hope for short term is that the UBM share price will drift gently backwards through the usual August haze into line with its 107p per share offer.

Formal bid documents should be in UBM shareholders' hands by the latter half of the month from which point the defence, to judge by its initial response, will be straining every sinew to see Norcros off or to secure substantially better terms at the very least.

UBM will be building its defences on sand if it attempts to use its past profits record as any kind of prop. The wildly fluctuating performance over several years suggests that either management lost its way in a quickly changing distributive sector, or more charitably, that a group of the size and complexity of UBM cannot hope to resist the vicious tides of national construction activity.





It may say something about the timing of this particular deal that the tide is now beginning to flood in UBM's favour and the forecast for the year to February 1984 will hardly be anything other than buoyant. UBM *could make something in* the region of £10m pre-tax against only £2.7m last year.

New management has begun to reorganise and tighten UBM considerably, but if its share*holders*, which include Equity Capital for Industry and Newarthill, have a mind to look *forward* any further than the short term, the defence must somehow show that profits will not simply fall over the precipice once again when the cycle turns two or three years out,

Sterling's time

With Jeffrey Sterling taking over the captain's chair at P & O from Lord Inchcape this week, Trafalgar will certainly have a fight on its hands if it wants to pursue its bid next spring should the Monopolies Commission give a green light. Time gained by the reference has allowed the P & O board to take a more reflective stance over institutional unease about the *shipping group's leadership.*

Mr Sterling's reputation as a company doctor at Town and City Properties, now Sterling Guarantee Trust, puts him in good stead in the City while his stock in some corridors of Whitehall is no less solid.

The feeling in the City is that if anyone can take on Nigel Broakes, it is Sterling. And given the Monopolies delay the P & O board should be able to launch an aggressive defence next spring which seems the earliest date that Trafalgar will be able to renew its offensive.

P & O's profits this year are likely to climb £9m or so to £42m and by next spring Mr Sterling could well be in a position to be forecasting close to £55m for 1984. and of course there has been inevitable speculation that he will put P & O and Sterling Guarantee together making it just took big for *Trafagar* to try for. *It might be* a last ditch defence ploy but it cannot be ruled out.

While P & O seems to be recovering nicely it is a veritable disaster elsewhere in the shipping sector. Ocean Transport and Trading had to tell its shareholders this week that the half year to June had produced a loss of £0.9m against a profit *of £10.9m and it could offer* nothing more than a gloomy prediction for the second half. *Reardon Smith also reported* disastrous figures with a £8.8m deficit for the year to March. *Only the unquoted Ellerman* Lanes was able to show a profit but that relied heavily on its *brewing interests, shipping* showed no sign of improvement.

Engineering rise

Further evidence came this week that the lumbering albatros which is the British heavy engineering sector is slowly climbing back into the air. Two of the country's leading industrial groups, Guest Keen & Nettlefolds and TI Group, have both reported improved half year figures.

Up from £30.5m to £38.1m, pre-tax profits from GKN turned out £1.1m ahead of last month's estimate pitched at the time of the agreed, if by no means finalised, bid for motor components group AE. But most of the running has seemingly been made by lower interest costs and smaller redundancy payments. The trading surplus after depreciation is actually down in the six months to June last with a £1.6m slip to £56.8m.

Still, straight comparisons with the first half of 1982 disguise a rapid acceleration after the struggle late last year which left GKN making just over £10m profit pre-tax on sales of £905m in the six months to December.

A more realistic picture is offered by the quarterly breakdown which saw pre-tax profits of around £10m in the first quarter of 1983 succeeded by £28m in the second. Its motor components operations have been responsible for much of the upswing thanks to higher car production both sides of the Atlantic. That said it would be unfair not to acknowledge GKN's own efforts to put its house in order. Redundancy and reorganisation have cost the engineer £170m since 1979 and while that left a nasty dent in shareholders' funds the benefits are now flowing through to profits as typified by the turnround at special steels and forgings.

Over at TI the £2.3m pre-tax advance to £6.2m has been achieved despite an accounting change which took off redundancy costs of £700,000 above the line. The group's improvement *has been very much consumer* led with domestic appliance profits up from £5.5m to £10m *and losses from cycles and toys* down from £3.2m to £0.9m. Yet the buoyancy of its consumer *businesses also serves to high*light the problems of its struggling base operations in tubes *where there was a fall from* profits of £5m into a loss of £1.8m.

Still TI remains confident that its second half will provide further evidence of recovery. The market is already talking of £20m profit against £4.7m for 1982 from TI while estimates for GKN range up to £90m, more than double last year's depressed effort.

Plessey

Static operating profits in Plessey's telecommunications division meant that the group's 21 per cent increase in pre-tax profits to £38.2m for the 13 weeks to July 1 1983 was towards the bottom end of City expectations.

However, margins in telecommunications actually improved by one percentage point if you take out operating losses of £1.6m at Stromberg Carlson, the newly acquired U.S. subsidiary.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	722.1	− 0.9	731.4	598.4	Secondary issues feature
Aran Energy	71	+38	71	9	Irish Sea oil speculation
Atlantic Resources	500	+165	615	35	Irish Sea oil find hopes
Ault & Wiborg	33	−21	70	26	Sun Chemical talks off
Branon	62	+14	95	45	Bid from Taddale Invs.
BP	440	+36	444	296	Broker's profit estimate raised
Cornell Hldgs.	246	+38	250	110	Report on Turkish venture
Crouch Group	89	+23	128	85	Poor preliminary results
Eglinton Oil	220	+45	225	35	Irish Sea speculation
Fitzwilton	65	+24	69	17	Stake in Atlantic Res.
Ingram (H.)	165	+101	175	18	Control changes hands
Kraft Productions	*165	+87	165	20	Spec. demand/thin market
Ladbroke	230	+19	230	160	Interim results due Aug. 30
Ocean Transport	84	−12	133	70	Interim results disappoint
Paringa Mining & Expln.	63	+13	66	35	Base-metal find
Pennine Resources	35	+ 6	43	17	Bid from Ivorbeam
Reardon Smith	40	−12	76	37	Poor annual results
Shell Transport	630	+36	634	403	Good 2nd quarter results
UBM	122	+31	122	77	Bid from Norcros

* Price at suspension.

A nervous start

NEW YORK

WILLIAM HALL

WALL STREET celebrated this week's anniversary of the start of the current bull market in a nervous and hesitant mood. The stock market switched direction several times as investors tried to assess whether the recent sharp shakeout in share prices had run its course or had further to go.

Only a month ago the Dow Jones Industrial Average had looked set to challenge the 1,300 mark but in the last week of July and the first week of August, it shed 60 points taking it below the 1,200 level.

Market technicians had iden*tified 1,180 on the Dow as the* market's next support point and were unnerved on Monday morning *when the index shot* straight through this level shedding another 20 points with no *trouble.* But *fears* that this would precipitate heavy share sales proved unfounded and for most of the rest of the week the market dithered and trading volume remained sluggish.

Interest rates dominated stock market psychology this week. Early on Monday morning, Citibank, very much the market leader in the U.S. banking business, set the stage by increasing its prime rate by half a point to 11 per cent and the other banks quickly followed. This was the first prime rate increase in over a year and investors listened gloomily to forecasts that it was just the beginning of a substantial rise in interest rates.

This sort of talk took its toll of the bond markets. The new Treasury long bond, the 12 per cent 2013, which had only been launched the *previous* week quickly sank to a discount to its issue price of 99.357 and its *yield rose above 12.15 per cent.* The previous Friday's poor money supply figures had contributed *to the gloom* at the beginning of the week as the more pessimistic investors concluded that the Fed *would have* to tighten monetary policy further if it was going to regain *control of the monetary aggre*gates.

However, towards the end of the week the interest rates cloud over the stock markets begin to lift. Bond prices were rallying, helping sentiment in the equity market and there was a feeling that the doom and *gloom of Monday had been* somewhat overdone.

Even before this week's rise in prime rates, U.S. interest rates had been moving up significantly. Since early May the yield on three month Treasury Bills has risen from under 8 per cent to 9.5 per cent and long bond yields have risen by close to 2 percentage points. The more optimistic souls on Wall Street last week were hoping that the rise in interest rates had already taken place and any further rise in interest rates was unnecessary.

They took some comfort from the July retail sales figures which showed a very modest fall and this, coupled with a downwards revision in the June *sales figures,* led some analysts to speculate that the U.S. economic recovery is not taking off as quickly as some people had first thought. If this is the case the Fed might be less in*clined to raise interest rates* further to check the speed of the economy's growth.

In the equity market the giant AT and T was one of the star performers amongst the blue chip stocks despite the fact that its telephone workers had gone on strike across the nation. Investors appear to be more interested in AT and T's high yield (more than twice the average for industrial companies) and the planned divestiture of its 22 local companies which has finally been approved, than the short term impact of the strike.

In the first four days of this week, AT and T shares rose by a couple of points and in the three weeks since July 26, when share prices have fallen *by some 6.5 per cent*, AT and T shares have put on around four points.

Procter and Gamble was another blue chip to outperform the stock market this week.

F. W. Woolworth, the ailing giant of U.S. retailing and another constituent of the Dow Jones Industrial Average, also turned in better than expected figures, which boosted its shares. Earnings from continuing operations rose more *than five fold to $16m in its* second quarter (50 cents a share) — the third quarter running it has showed an *improve*ment. Woolies share price has more than doubled over the last year but few analysts are prepared to stick their necks out and argue that the group *has finally* turned the corner in its battle to revitalise

The main losers in the stock market's sharp tumble over the last three weeks have been the high technology issues. Computer stocks which have been riding on dizzy price earnings multiples have suffered sharp setbacks.

Over the last year many *issues have trebled and some*times quadrupled in value on Wall Street and several analysts *believe that the current shake*out is long overdue. However, investors are also now being *made painfully aware that the* underlying performance of "high tech" stocks can vary *considerably.*

Monday	1,163.06	−20.23
Tuesday	1,168.27	+5.21
Wednesday	1,175.98	+7.71
Thursday	1,174.39	−1.59

Expecting the unexpected

MINING

KENNETH MARSTON

"THE unexpected happens in the platinum mining industry," observed Mr Gordon Waddell in the annual report of South Africa's Rustenburg Platinum Holdings this week. Things, for instance, like last year's disappearance of some £7m-worth of platinum from the company's *half-owned modern* Wadeville refinery near Johannesburg; none of it has been recovered.

But the chairman's *thought*ful observation was prompted more by the company's excellent results from the 10 months to the new financial year-end of June 30, which surprised everybody, and by his cautious hope of a further improvement in fortunes in the current year.

Just why did Rustenburg earn R63.4m (£38.1m) in the past 10 months, after a big tax increase, compared with only R41m in the previous 12 months when the platinum market did not really pick up until early this year? For a start, the company's revenue was boosted by a favourable exchange rate when converting into rands the proceeds of platinum sales which are made in U.S. dollars.

Sales of platinum increased *quite sharply in the final four* months. In fact, the volume of metal sold and the average *dollar price received in the 10* months to June 30 were about the same as in the previous full *year.*

A major factor in the increased sales was Rustenburg's decision in January to abandon the old policy of basing sales on a fixed "producer" price which at thata time was $475 per ounce. The idea of a producer price was to achieve some sort of stability in the market, especially for the benefit of long term contract customers.

The trouble was that there is also a healthy—or unhealthy, depending on how you look at it—free market in platinum which is largely supplied by Soviet supplies. And in the past the free market prices have fluc*tuated quite wildly both above* and below the producer levels.

Quite simply, Rustenburg de*cided in January that "if you* can't beat 'm, then join 'em." So it decided to base its selling *prices more closely on those* ruling in the free market. The latter have since been below the *old producer level of $475 and* are currently running at around $426. This more competitive *pricing policy has paid off.*

What remains to be seen is whether Rustenburg has gained sales at the expense of the other major producer, the Gencor group's Impala Platinum Holdings. This company is still believed to be following the producer price line, but just how rigidly remains to be seen. Its results for the year to June 30 are due on Monday.

Meanwhile, Mr Waddell has kept quite a few options open in his forecast of a further rise in Rustenburg's earnings this yer. If they did rise, he says, they will reflect continued benefits of the new pricing policy, or an improvement in demand generally and a rise in market prices, or a combination of these factors. For good measure, he adds that everything depends on the U.S. economic recovery being sustained.

All I can add is: "so far, so good" and that a further rise in dividend should be in prospect. The market thinks so, too, by a share rating which at the current price of 750p gives a meagre dividend yield of under 3 per cent.

But dividend caution is indicated by Mr Waddell's comment *that the importance of the* group's sound financial position, "carries with it the need in the *better times to couserve re*sources."

While the FT has been in the *wilderness the June quarterly* reports from the South African gold producers have come and gone as have the June dividends. For the benefit of readers who like to keep re*cords, the profits and dividends* are summarised in the accompanying tables.

The average gold price in the June quarter was $428 per ounce which, on the basis of the *rand-dollar exchange rate* then ruling, meant that the mines received R467 per ounce for their gold. Since then the dollar price of gold has declined while the value of the dollar has risen sharply.

At the present exchange rate the rise in the value of the dollar means that a gold price of $428 equals R481. So far this quarter the dollar price of gold has averaged about $423 but this is currently equivalent to R475 so the strength of the dollar is offsetting the effects of the lower U.S. gold price on revenue of the South African mines. It is also helping many non-U.S. producers of other metals which are sold for dollars.

Elsewhere in the mining scene hope springs eternal at the more speculative end of the market. The exploration companies have been bevearing away, as optimistically as ever.

Gold remains the fashionable target for most of them and Canada's Terramar Resources has been producing more spectacular gold values at its Reid Mine project in California while Western Australia's Eastern Goldfields remain full of promise.

Some of the sharemarket heat has evaporated and Australian stocks such as Carr Boyd Minerals (83p) might be worth considering. What is needed, of course, is a rise in the gold price and this is still on the cards if industrial demand for the metal picks up with the general economic revival and—dare I say it?—an increase in inflation.

● The price of aluminium is rising sharply and is now double the depressed level of a year ago. Encouraging news for companies such as Australia's Comalco which is struggling to get back to profitability. It is 67 per cent-owned by CRA which, in turn, is 52.9 per cent owned by Rio Tinto-Zinc. Meanwhile, good *half-year* results are due from CRA at the end of this month and from RTZ in about *mid-September.*

GOLD MINE NET PROFITS

	June quarter R000s	March quarter R000s	December quarter R000s	September quarter R000s
Blyvooruitzicht	20,269	23,001	22,000	19,942
Bracken	3,105	2,758	1,535	2,567
Buffelsfontein	25,010	28,515	29,901	24,383
Deelkraal	5,827	8,885	11,339	8,801
Doornfontein	14,346	13,338	14,584	11,482
Driefontein	106,577	107,037	109,845	86,280
Durban Deep	†3,165	3,649	†6,756	†4,717
Ergo	14,024	17,019	13,592	20,316
East Rand Ply	†5,665	3,741	†7,739	†6,140
East Transvaal	5,872	5,550	3,927	2,487
Elandsrand	22,034	23,064	23,590	19,342
FS Geduld	27,419	32,281	23,946	43,991
Grootvlei	6,524	6,268	10,206	6,749
Harmony	40,702	31,990	30,773	22,890
Hartebeest	39,538	38,206	33,820	33,082
Kinross	12,728	13,576	14,317	15,198
Kloof	39,782	41,498	41,721	34,480
Leslie	2,912	15,449	16,647	14,005
Libanon	13,779	15,449	16,647	14,005
Loraine	3,467	‡5,134	4,034	‡916
Marievale	356	733	751	556
President Brand	20,072	42,419	24,224	34,894
President Steyn	26,256	30,387	29,515	28,632
Randfontein	50,197	45,351	67,906	40,204
St Helena	13,262	21,531	37,322	29,431
South African Land	1,136	1,585	1,823	1,320
Stilfontein	13,822	8,175	13,257	9,178
Unisel	7,774	9,498	9,180	9,370
Vaal Reefs	107,437	68,125	110,024	71,771
Venterspost	5,142	4,924	4,771	3,805
Village Main	346	176	132	155
Vlakfontein	620	654	650	695
West Rand Consolidtd.	2,084	3,353	‡3,124	†3,258
Western Areas	10,408	12,382	20,537	8,720
Western Deep	57,425	47,382	58,168	61,885
Western Holdings	38,942	39,831	33,807	53,203
Winkelhaak	13,873	13,494	12,637	13,726

† After receipt of State aid. ‡ After repayment of State aid.

GOLD MINE DIVIDENDS

	June 1983	Dec. 1982	June 1982	Dec. 1981
Blyvoor	155	*115	90	*100
Buffels	330	*260	280	*260
Deelkr'l,	10	*nil	nil	*nil
D'font.	120	*80	120	*80
Driefont.	180	*105	135	100
Durban D	*nil	nil	*nil	100
ER Prop	*nil	nil	*nil	nil
Elandsr'd	*20	15	nil	nil
Elsburg	*6.5	6.5	*nil	13
Gr'tvlei	*65	80	*36	78
Hartebst.	760	*300	275	*375
Kloof	200	*130	150	*120
Libanon	190	*110	140	*80
Randft.	*400	800	*300	400
†St. Helena	*250	280	*145	145
SA Land	*30	40	*35	25
S'thvaal	*215	210	*120	195
Stilfont.	*140	150	*100	180
Vaal Rfs.	*585	600	*350	530
Venters.	120	*60	55	*135
Vlakfont	30	*15	20	*15
W. Areas	*10	10	*nil	20
W. Deep	*210	260	*135	205
W. R. Cns.	*40	20	*nil	10
Zandpan	78	*50	47	*63

† Previous dividends declared March/Sept.
* Denotes interim.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	% Others
Abbey National	7.00	7.25	8.25	8.25 High Option, 3 mth. not. no pen.
				8.25 60 Plus, 6 y., on dem. (int. pen.)
				7.75 7 days' notice, no int. pen.
Aid to Thrift	7.90	8.50	—	—
Alliance	7.00	7.25	8.25	8.50 2-month notice shares
Anglia	7.00	7.25	8.25	8.25 3 yrs., 2 mths.' notice/penalty
				8.25 Capital Sh., 1 mth.'s notice/pen.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25 Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	8.25 1 m. not. or on dem. (int. pen.)
Britannia	7.00	7.25	8.25	8.50 Option Bond, 8.25 2 mths.' not.
Cardiff	6.75	8.00	8.75	—
	—	*8.50	—	— * Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50 Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75 Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50 im. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25 Gold account £1,000+ no notice *no penalties. Monthly interest* £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40 plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25 4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75 4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-8.75 28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25
Greenwich	6.50	7.25	8.50	8.25-8.50 subject to notice/bal.
Guardian	7.00	7.50	—	8.75 3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25 Xtra Interest Plus, 3 months' *wdl. notice or loss of interest*
Heart of England	7.00	7.25	8.50	8.00 1 mth. not., 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	8.75 3 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25 6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.25 6 mths., 9.10 28 days, 8.25 3 m.
Leamington Spa	7.10	7.35	—	8.50 Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	8.75 5 yrs., 8.25 1 mth. interest pen.
Leeds Permanent	7.00	7.25	8.25	8.25 3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	8.25 3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.50	8.25 High Yield (1 month)
London Permanent	7.00	7.75	—	9.00 6 mth. not. or 2 m. not. '+' pen.
Midshires	7.00	7.25	8.25	8.25 Ever Ready—Easy access
Mornington	7.80	8.50	—	—
National Counties	7.25	7.55	8.55	*9.10 28 days' notice £500 min.*
National and Provincial	7.00	7.25	8.25	8.25 1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	8.25 3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 8.00 £500 min. imm. wdl. with penalty
Newcastle	7.00	7.25	8.50	8.75 4 yrs., 8.25 28 days' notice, or on demand 28 day's int. penalty
New Cross	8.00	8.25	—	8.25-9.25 on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00 High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50 City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75 Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	8.50 2 y., 9.00 3 y., 9.50 4 y., 8.25 Bns.
Portman	7.00	7.25	8.75	8.75 2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40 5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75 28 days
Scarborough	7.00	7.25	8.50	8.25 Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25 1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.85 3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00 7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00
Thrift	7.15	8.15	—	*10.15 5 yrs. term. Other accnts. avail.*
Town and Country	7.00	7.25	8.25	8.50 3 yrs., 60 days' wdl. notice
				8.50 imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—
Woolwich	7.00	7.25	8.25	8.25 90 days (interest loss)
				8.25 Special Interest Shares, 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00 imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50 Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

U.K. CONVERTIBLE STOCK 13/8/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◊	Cheap (+) Dear(−)♢ Current
British Land 12pc Cv 2002	9.60	285.50	333.3	80.97	4.3	1.3	4.5	−4 to 7	28.7	84.5	20.4	+16.0
Hanson Trust 9½pc Cv 01-06	81.54	247.50	107.1	85.01	4.0	1.0	−2.5	−7 to 1	103.5	75.3	−11.1	− 8.6
Slough Estates 10pc Cv 87-90	5.03	210.50	234.4	78.84	4.8		−5.5	−7 to 2	11.5	4.8	− 3.0	+ 2.4
Slough Estates 8pc Cv 91-94	24.72	101.00	97.5	80.89	8.0	8.0	9.0	5 to 14	27.5	32.2	5.1	− 3.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ♢ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

FINANCE AND THE FAMILY

YOUR SAVINGS AND INVESTMENTS—1

VAT and a fitted wardrobe

BY OUR LEGAL STAFF

Three years ago I had a fitted wardrobe installed and, at the time, doubted the validity of the inclusion of VAT in the charge. Therefore the reply which appeared on March 19 obviously reinforced my doubt.

I have recently contacted both the supplier and the local VAT office and am told by both that, unless the wardrobe was constructed, from raw materials, on site, it attracts VAT at standard rate. The wardrobe was "made up" before being transferred to site for assembly—it is a "wall to wall" construction. Have you any further information on the subject, please?

In our view it is not necessary for a fitted wardrobe to be made up from materials on site for zero rating to apply. The rules relating to zero rating for alterations are somewhat difficult in practice and we are aware that different interpretations are given by various VAT offices. We suggest that you ask your local VAT office to confirm with their head office that their view is the same as that of the head office.

Share transfer and stamp duty

The process of putting my shareholdings in order after retirement, involves the transfer of some shares to our joint names from two batches in the separate names of my wife and myself.
If both the seller and the purchaser agree that the "consideration" is to be one packet of smarties, how is the tax calculated?

The shares will attract ad valorem stamp duty based on the actual value of the shares, not on an agreed value. It is therefore preferable for each of you to make a declaration of trust that each holds his/her shares on trust for both of you jointly in equity.

Indexation of CGT

I refer to your reply to a query headed "Indexation of CGT" on April 30. I missed the earlier reply quoted March 26 and that may be why I am completely unable to follow the computation:—

"Less: 6.8.53 to 6.4.65 ie 4261
6.8.53 to 26.1.83 ie 10765
10480"

How are the figures 4261 and 10765 arrived at please and how do they produce 10480?

The fraction bar was misplaced, unfortunately and should have been between the two figures of numbers of days. There were 4,261 days from the purchase contract day to Budget Day 1965, and 10,765 days from the purchase contract to the sale contract. Consequently, 4261/10765ths of £26,475 escapes CGT, leaving a chargeable gain of £15,995.

When counting the days back to your purchase contract in 1951, bear in mind that 1952 was a leap year.

A non-resident's income tax

I shall shortly be working abroad in Saudi Arabia for a period of two or more years and expect to obtain "non-resident" status from the point of view of UK Income Tax. I will, during this period, be in receipt of a UK (company) pension of £13,000 and a small UK investment income. I also have a lump sum to invest. I would be obliged if you could advise me:
1. Whether investment of the lump sum in Income Bonds would be free of Income Tax in view of my "non-resident" status and assuming the money was remitted to an off-shore bank?
2. Whether I would be liable to tax on the UK private pension?
3. Whether there are British Government untaxed Interest Stocks to which I could transfer my existing UK investments where the interest could be remitted overseas without deduction of UK Income Tax?

As there is no double taxation agreement with Saudi Arabia, your UK tax position will simply follow the lines outlined in the free Inland Revenue booklet IR20 (Residents and non-residents: liability to tax in the UK), which you have no doubt seen recommended in our columns from time to time. When asking your tax office for a copy, you could also ask for a copy of a booklet IR1 (Extra-statutory concessions): concessions A11, B13 and D2 will be of particular interest to you.

The gilts which are exempt from income tax in the hands of people not ordinarily resident in the UK are marked with pairs of double obeli in our Share Information Service columns. As you are working abroad for so short a time, however, it is unlikely that you will be able to arrange for interest to be paid without deduction of UK tax (except on 3½ per cent War Loan or stock on the National Savings Register).

Your £13,000 UK pension will be taxable at a flat rate of 30 per cent for years in which you are regarded as not resident in the UK. You should bear in mind that concession B13 only applies to such years, ie it does not apply to the year of departure nor to the year of your return to the UK.

A court order to pay

I have been paying £2.50 per week regularly for over 30 years to a former wife under a Court Order made at the time we divorced.

I am now 65 years of age and recently received a letter from my former wife saying that if I did not wish to pay the money any longer that she would agree.
I have stopped the payment but am now having second thoughts about having done so. I feel that since the payment was being made under a Court order then regardless of what my ex-wife might say or desire that I am legally bound to continue paying it. I have always worried that in the event of my death my ex-wife might claim against my estate, to the detriment of my present wife although from time to time solicitors have said that in the circumstances there is little likelihood of her doing this or being advised to do it and that if she did do it there would be little chance of her succeeding, but I feel that the fact that I have stopped payment under a Court order, without the order having been rescinded might strengthen her case. What please is your advice?

What you say is technically correct: the order stands until varied or amended by the Court. However if you and your former wife have a written agreement not to enforce the order, that will suffice as your ex-wife would be stopped from enforcing. You should therefore ensure that you write in reply to her suggestion saying that you accept her offer as being an agreement not to enforce the order henceforth. Keep both your ex-wife's letter and a full copy of your letter.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Deed of family arrangement

Last year my parents died intestate leaving myself, two brothers and a sister. The bulk of the estate (gross value approximately £65,000) is the family house. The net value of the estate (approximately £39,000) is less than the market value of the house (£45,000) because of loans made by my brother and myself to my father about four years ago, and an existing mortgage on the property. I have redeemed the mortgage. So presumably this now becomes a further debt of the estate to me.

My brother and I wish to own the property jointly. To this end we propose to pay our other brother and sister for their shares of the home, i.e. to give each one the market value of the house multiplied by the proportion of the gross estate to which he/she is entitled, calculated as follows:
Each owns one-quarter of net estate plus loans made to estate divided by gross value of estate, of the house.
We would like to know whether we can distribute the estate in the way indicated and what amount will be assessed for stamp duty if the transfer of the house is made to my brother and myself in this way?

A transfer or an assent on appropriation under the statutory power ought to bear stamp duty on the value of the property. This may be reduced or avoided by using a deed of family arrangement to re-arrange the trusts on the respective intestacies and to provide for the four children's interests to be as stated under the formula which you mention. Two or more of the children can then be appointed trustees and the property held by them on the trusts of the deed of family arrangement.

Tell him what to buy and get off the line

CLIVE WOLMAN looks at how the reforms in the Stock Exchange will affect the small investor

THE LITTLE man who never deals in more than a few hundred shares has been left out in the cold over the last three weeks as the Government hammered out a deal with the Stock Exchange to end some of its anti-competitive practices.

Many fear that he is now in line for a fleecing by his stockbroker as the inflow of easy institutional money to the member firms of the Stock Exchange dries up.

The concession made by the Stock Exchange, to abandon its minimum commissions for buying and selling securities for clients, means that the large institutional fund managers who pick up and offload stocks by the millions will be able to cajole brokers into giving them lower rates. And someone somewhere is going to suffer to make good the deficit.

One possible victim is the client whose "discount" stockbroker goes bust. Many doubt whether the Stock Exchange compensation fund will survive the upheaval in its present form.

In the longer term, jobbers may disappear as a result of the changes and stockbrokers will fix share prices and trade exclusively with one another.

The little man will have to watch out for the stockbroker who gets caught with a long line of shares and hawks them around to his clients or stuffs them in their portfolios. But even today stockbrokers face a similar conflict of interest over their in-house unit trusts.

But the most immediate change, over the next three years, will be in the abandonment of minimum commissions. In New York this step was taken in 1975.

Since then individual investors, while enjoying a reduction in the charges on large orders of over 1,000 shares, have generally been asked to pay more when they buy or sell small amounts.

Today a small investor dealing in £1,000 worth of shares will pay commission of, usually, only £16.50 in London but anywhere between £20 and £45 in New York.

But the stockbroking firms in London with the largest clienteles of small investors say the little man is unlikely to lose out. Their private client departments are profitable in their own right, they say, and none of them has a policy of "cross-subsidisation," i.e., squeezing the high and mighty to benefit the meek of the earth.

As one said, "stockbrokers have been accused of many things recently, but never of philanthropy." Private clients may bring less profits proportionately than institutions, but they are more stable and continue to trickle in, even during a bear market.

In fact, in the last two years, large stockbroking firms such as Grieveson Grant, Capel-Cure Myers and Scrimgeour Kemp-Gee have been advertising and promoting their private client services intensively.

So if stockbrokers try to raise their prices, the argument goes, their private clients will be snapped up by another firm — or they will leave the market altogether.

Already, the proportion of shares in UK-quoted companies owned by private investors has fallen from 65 to about 25 per cent in the last 25 years.

Among these waiting to muscle in on the private client market are, Bank of England permitting, the high street clearing banks with their ready-made retail outlets.

If you went into your Barclays branch one morning with an order to buy 500 GEC, the bank could roll up your order with that of Miss Arbuthnot of Tunbridge Wells, Farmer McEwan of Kirkcudbright and 20 other Barclays' customers who want to buy GEC.

The bank could then do the deal through some small but eager stockbroker whose commission rate has been beaten down to say 0.25 per cent.

The bank may charge you another 1 per cent but you'll still be paying less commission than you are today.

In Toronto, where fixed commissions were abandoned on April 1 this year, Toronto-Dominion Bank, one of Canada's biggest, immediately announced plans to compete actively for retail customers.

But not all private clients are profitable. The ones that stockbrokers like are those that phone regularly to place large orders and don't ask too many questions about companies they're thinking of buying or selling. Better still are those that give the stockbrokers discretion to manage their portfolios and don't phone at all.

As for the others, as one broker said, "the clients who are on the phone every other day asking us to tell them stories about this company or the other don't usually make much money. But maybe they don't do it to make money, even if they think they do."

These are the clients who are likely to have to pay more for services of stockbrokers. In New York, there has been a gradual "unbundling" of private client services, with each being charged separately, although this process has not yet gone as far as expected.

The cheapest service on offer for private clients is likely to be a no-frills, dealing-only service. Phone your broker, tell him what to buy or sell and then get off the line, as he has to take another 25 orders before lunch to meet his quota.

Don't ask him for the low-down on the company you want to buy, don't even remark on the abnormal heat for the time of year—he'll probably think you're angling for his analyst's latest report on air-conditioning manufacturers.

In theory, such a service should be much cheaper than the present commissions. And when the electronic computer age arrives it will be. But at present, as Graham Mann of Grieveson Grant says, "the registered share system is labour intensive. An enormous quantity of paper has to be shuffled around the back room."

Even so, charges for this service should be slightly lower than the present ones.

No one has yet worked out what the other charges will be. But when the brave new world is ushered in, stockbrokers may start sending out to their private clients tariffs something like this one:

- **Dealing-only service** for amounts between £500 and £10,000 1.25 per cent.
- **Reassurance service:** Whenever you take a fancy to a stock, phone us and we'll make you feel good by giving you ten good reasons to buy. Every stock covered from Marks and Spencer to London and Liverpool—£50 p.a.
- **Instantaneous news service:** Whenever we hear anything about a stock you own, we'll phone immediately. We guarantee to get in touch within 30 minutes of dumping our institutional clients' shares on the market and knocking the price for six—£75 p.a.
- ***Comforting service:*** When your stocks fall by more than 20 per cent, we'll phone and tell you it's only profit-taking, recovery is just around the corner or there's rumours of a take-over bid—£30 p.a. (a 50 per cent surcharge may be imposed during a bear market).
- **Dinner-party service:** phone us in the late afternoon and we'll give you all the latest tips, news of the hot stocks, who is about to swallow up whom, everything you need to be the life and soul of the party—£25 p.a.
- **Lonely-hearts service:** Whenever you phone, Mr Windbag, our in-house social worker, will chat to you for up to 20 minutes about Where the Market is Going or any other subject of your choice—£30 p.a.

GOLD COINS

Where to sell your golden hoard

THE 4.6m holders of Krugerrands in the UK and the other owners of gold coins have been worried this week by reports that the bullion dealers on London's gold market have decided to stop buying back gold coins from the public.

The dealers have wished to end a growing entanglement with attempts by the Customs and Excise to clamp down on fraudsters who reclaim VAT which is never paid over to the authorities on the gold coins they sell to bullion dealers.

Such frauds, which are believed to run into millions of pounds, have sprung up since April of last year when VAT was imposed on gold coins bought in this country. Several court cases are now being brought by the Customs men, and the bullion dealers are required as witnesses.

National Westminster branches, the main retail outlets for those wishing to buy or sell back just a few coins, have widened their spread. The difference now between the sale and buy-back prices (exclusive of VAT) is about 4 per cent on individual Krugerrands and nearly 15 per cent on sovereigns.

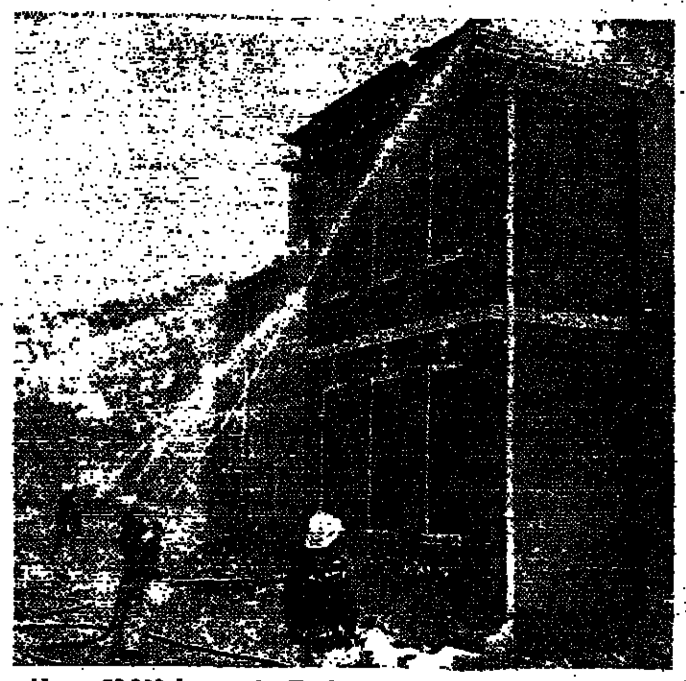
The reason, NatWest says, is that it is temporarily unable to buy and sell from its London dealer and has been compelled to go overseas. Most of the bullion houses, however, say they are still willing to deal with the bank and other reputable trading companies.

Most coin dealers who previously offered a sale and buy-back service for gold coins are continuing to do so. One such dealer is Gold Investment (tel: 01-914 9511), of Aldwych House, Madeira, West Byfleet, Surrey, which charges a spread of only £5 plus VAT for single Krugerrands, under 2 per cent of the buy-back price. Its spread for sovereigns is also £5.

London stockbrokers Laing and Cruickshank continues to quote a spread of only 1 per cent or less to non-clients.

Clive Wolman

YOUR SAVINGS AND INVESTMENTS—2



About 58,000 homes in England and Wales were damaged by fire last year. Insurance companies estimate that more than half their claimants were under-insured.

INSURANCE

Two aspirins for home-owners

HOME-OWNERS face a continual problem when trying to put a value on the building they live in and its contents for insurance purposes.

Some householders deliberately understate the values in order to keep down premiums but they face serious losses if disaster strikes. A claim, even for less than the full value of the cover, will often be scaled down proportionately by the insurance company if the unfortunate householder is grossly under-insured.

In most of the cases of under-insurance reported by insurance companies, the individuals have simply failed to appreciate the costs of rebuilding their house, despite the assistance of tables published by the British Insurance Association. They are also unaware of the correct market price for their hi-fis, TVs, clothing, furniture or kitchen equipment.

Two recently - launched types of insurance plan may ease the problems of some householders.

The TSB Trust Company, the insurance and investment arm of the Trustee Savings Bank, is now offering a plan under which a house may be insured against the usual perils without any value being specified by the home-owner. The underwriters, Provincial Insurance, pay out in full on all valid claims.

The premium is based on three factors — type of house, the number of designated bedrooms, and locality. Premiums will rise each year in line with costs.

As the underwriters have *been doing plenty of averaging* out, for some householders the costs will be lower than with the orthodox schemes while for others it will be higher. Generally the TSB plan favours dwellings with a lower proportion of bedrooms to other rooms. Also it does not extend to houses with more than five bedrooms. The table compares costs.

The TSB keeps down its costs by marketing its insurance schemes only through its branches without paying commission to insurance brokers.

The building societies have been responsible for the other innovative insurance plan which relates to the insurance of contents. They are now offering a combined buildings and contents insurance plan where the sum insured on the contents is a fixed proportion of the sum insured for the building, usually one-third or one-half. For example, a house insured for £30,000 may have contents insured for £10,000.

This plan is again based on averages and householders could find themselves with problems. On the one hand householders with relatively few possessions, such as newly wed couples, could be paying more under these plans for their contents insurance than through buying separate policies because the sum insured is unnecessarily high. On the other hand, many other couples could find that the sum insured was too low when the time came to settle a claim.

For contents insurance there is such a wide disparity between families' possessions that averaging can be dangerous. There is no substitute for making one's own valuation.

Eric Short

COMPARISON OF HOUSE INSURANCE PREMIUMS

	Average sum insured £	Typical orthodox premium £	TSB home insurance £
3 bedroomed terrace house in London built in the 1930s	46,000	69.00	61.75
4 bedroom semi-detached house in Northern England built in the 1960s	45,000	67.50	66.15
2 bedroom semi-detached bungalow *in South-East* England built in the 1930s	29,000	43.50	50.00
3 bedroom detached bungalow in East Anglia *built recently*	41,000	61.50	66.15

SMALL BUSINESS INVESTMENT

Picking a fund to find you a winning company

TIM DICKSON and CLIVE WOLMAN *discover that the managers* of the funds, which aim to exploit recent tax breaks, have created several conflicts of interest for themselves.

THE CITY is never slow to exploit new tax concessions—and, true to form, the Government's Business Expansion Scheme (BES) has spawned during the summer months a variety of managed funds appealing to the higher-rate taxpayer who is willing to take a gamble.

The 1983 Finance Acts offer full tax relief on investments of up to £40,000 a year, when these are used to provide new *capital for most unquoted* companies. Under the earlier Business Start-up Scheme, only *investments* in newly-established companies attracted tax relief.

Under the BES, a top-rate 75 per cent taxpayer, for example, may make a £10,000 investment in an unquoted *company at a net cost to him* of only £2,500.

One of the original purposes of the scheme was to encourage wealthy professional men to invest in local businesses. But the newly-launched funds aim to match on a nationwide basis people with spare cash and companies starved of funds. The managers also claim to have the expertise and experience to pick potential winners.

The funds describe themselves as "unauthorised unit trusts." But they have little in common with the orthodox unit trusts, advertised in this and other newspapers.

Holdings in most unit trusts, for example, can be cashed in at any time. But under the BES the tax relief is lost unless the shares bought by the fund are held for at least five years. Most unit trusts frequently switch their investments between different companies. But investors in these funds are locked into the companies which are chosen initially for at least five years. Bear in mind, too, that investment in small companies requires strong nerves and considerable patience.

All the funds available are similar in structure, but each has slightly different refinements and different management charges. In addition to the initial charges, most funds also keep for themselves the interest on their clients' cash before it is invested.

This raises the first of several conflicts of interest that the structure of most of these funds has thrown up between the managers of the funds and their clients. Taking the interest on a client's deposit is a tax-efficient way of charging as it means he is paying effectively out of his gross income rather than his net income.

But it also means that the longer the fund waits before finding suitable companies in which to invest the money, the more interest the managers earn—and the longer the clients have to wait before their investment can be redeemed.

The funds also reserve the right to take up later for themselves a chunk of the share capital in the companies they select. So the more successful the fund managers are in negotiating this option, the more they are likely to dilute the value of the investment of their clients.

A further conflict of interest arises from the fact that an attractive company in which to invest may refuse to grant such an option to take up shares to the fund manager. In such a situation will the fund managers sacrifice their own interests and continue to invest on behalf of their clients?

One of the funds, the Guinness Mahon fund, goes even further. It reserves the right to demand payment from the companies into which it puts its client's money.

So if an investment proposition refuses to make such a payment, Guinness Mahon's clients may unwittingly be obliged to pass up an attractive investment opportunity.

Charterhouse Development is promoting its fund by stressing its relatively low initial management fees, only 3½ per cent of the money invested with it. This compares with a more usual initial charge of 7 to 8 per cent. Charterhouse explains that its costs are lower because it already has its own management team. Charterhouse can, in fact, point to more than 50 years' experience in investing in small companies. The fund is open until September 2.

By contrast stockbrokers Laurence Prust are employing a specialist management company for their vehicle, the Alpha Business Expansion Fund. The company, Oakland Management Holdings, based in Berkshire, has a team of about 60 people who will be available to give advice to the companies in which the fund invests. The Alpha fund is closing on September 23.

The fund launched by the merchant bankers Guinness Mahon is also to be managed by outside contractors, in this case the Cheltenham-based Capital Ventures whose executives have already set up their own fund under the Business Expansion Scheme. One attraction of the Guinness Mahon fund is a special lending facility which enables investors to borrow up to 100 per cent of the money they put into the fund.

Significantly, 62 of the first 100 investors in the Guinness Mahon Business Expansion Fund, which is open only until Monday, have committed the minimum stake, £5,000. Only two investors have put up the maximum £40,000.

The message is perhaps that investors are diversifying their risks by placing several smallish chunks of money with several different funds. Given the novelty of the scheme and of the funds, this is probably the wisest policy.

PROPERTY

The isle where '1984' began

BY JUNE FIELD

RED DEER keep the grass down outside Bernhill, the farmhouse on the Hebridean island of Jura, where George Orwell wrote *Nineteen-Eighty-Four*. The present tenant, a London merchant banker, stays there only during the deer-stalking season.

The opening lines of *Nineteen-Eighty-Four* evoke the magical remoteness of those misty islands of the Inner Hebrides. "It was a bright cold day in April, and the clocks were striking thirteen." Orwell (his real name Eric Arthur Blair) had been introduced to the place by David Astor, editor of The Observer, the paper that had employed Orwell as a war correspondent.

Orwell's retreat was not far away from the Tarbert Estate which David Astor's grandfather, William Waldorf Astor, had bought from the Campbells in 1920 to use as a holiday home.

Now 20,000 acres of the estate, bordered by Loch Tarbert on the south side, is being sold by David Astor's nephew, the 4th Viscount Astor, "Bill" and grandson of Nancy Astor, the first woman MP. "Bill" is a *cousin of the part of the family* who have made the headlines recently with the sale of Hever Castle in Kent.

The present Lord Astor is a great devotee of Jura, which derives its name from the Norse *deor-oe*, Dear Island. But his grandmother preferred her Cliveden or London homes. In *Nancy Astor — Portrait of a Pioneer* (Sidgwick and Jackson 1980) John Grigg records: "Nancy at first tried to convince *herself that the Highlands were* good for her, but later she came to regard staying there as a penance."

The reason for selling one half of the estate is to provide cash flow to improve the bit he wants to keep, the Gatehouse Estate, and so provide more work for the islanders. Offers in excess of £800,000 are anticipated by the agents, Savills of Edinburgh and Edwin Thompson of Keswick, Cumbria, and are being considered after 12 noon on Monday.

For this a buyer will get the deer forest with its annual cull of 82 stags and 150 hinds, plus a number of "cromies." Gaelic for crooked, unique in that the antlers sweep backwards, and have only the brow points facing outwards. It has been the policy to conserve the cromies, but *one got shot* by mistake in 1979 and the head hangs in the lodge.

The lodge itself is compact, easy and economical to run, insists Lord Astor, while pointing out that with 12 bedrooms, five bathrooms and a dining-room that will seat 18, it is also ideal for a large house-party. Guests can go wind-surfing, lobster-potting and fishing for brown trout.

There is a small return from the farm and the estate. The venison income last year was £13,400, and there are holiday lettings from some cottages. There is also a boathouse at the head of the loch, used to provide the main access to the western part of the estate. Viscount Astor explained: "We use the boat like a Land Rover, stalking from the beach up to the hills."

Part of the 20,000 acre estate on Jura, the island where Orwell wrote "1984" in a farmhouse.

Slow lift-off for the big time

BEST-SELLING author *Frederick Forsythe has sold his* house at last, so has Trafalgar chief Nigel Broackes, and this week it looks as if gourmet cook Robert Carrier's Hintlesham Hall could be offered for by someone local.

The market in the big stuff is finally on the move, but slowly. Forsythe's Lakenheath Lodge, Tilford, Surrey, fetched £350,000 against an asking price of £400,000, going to song*writer* Les Reed (he sold his Vere House, also in Surrey, for near the asking price of £600,000 through Knight Frank and Rutley), and Mr Broackes' Deanery, Sonning, finally made just over the original asking price of £650,000; this after stiff competition by two would-be buyers.

All are part of Hampton and Sons' haul of choice properties, with Juniper Hill, Mickleham, near Dorking, where Churchill is reputed to have stayed during the war, just going on the market at around £2m. The seller is a Middle-Eastern banker.

But Hampton's Stephen Perks at their Arlington Street, SW1 office, does not hesitate to admit that some properties have been taking nearly a year to sell, which means that the market has not yet moved on apace in terms of value. "So there is as yet no real evidence of any on-going price increase in this range. Those who can afford to buy do, but they are extremely slective."

Taking time to sell is Noel Coward's one-time Studio, Gerald Road, SW1; it is being handled by a coterie of agents, among them Aylesford's, and the price is now £850,000, a reduction of £100,000. And The Tower, Hadlow, which was around £175,000, is down to offers of £120,000 through Hampton's.

Auction results are generally good. In Worthing, West Sussex, Fox and Sons' partner Michael Thomas reports figures well above the reserves for seaside houses; and Andrew Bishop, of Jackson Stops and Staff Chelsea office, records over 400 inquiries for an unmodernised freehold house, 25 Redesdale Street, SW3, which last week sold for £112,000, well in excess of estimate. Leyden House, the period place from where I watched this year's Boat Race, failed to reach its reserve at auction, but sold in excess of £300,000 when it went back on the open market through Farrar Stead and Glyn's Chelsea office.

Demand from overseas buyers is still helping a fuel prices in London, with the foreign banks buying residential property for their executives rather than renting; and of a dozen apartments in a block overlooking Hyde Park, Savills partner Nicholas Couper says that three have sold to a German, a Nigerian and an American.

"We are having more people walking through the door on chance than we used to," observes Peter Cranham, who recently set up Pearsons' London at 1a Grafton Street, W1, in the heart of Mayfair. With the state of the pound, their best customers are Americans and Canadians, looking for places for company staff working in Britain on five-year contracts. Belgravia and Mayfair are favourite areas.

Knight Frank and Rutley's Hanover Square, W1, office reports that in the past three months they have had contracts exchanged on £10m-worth of country property, "more than we have had during the summer season in years," said Patrick Ramsey. "Things are only just slowing down now as it is August."

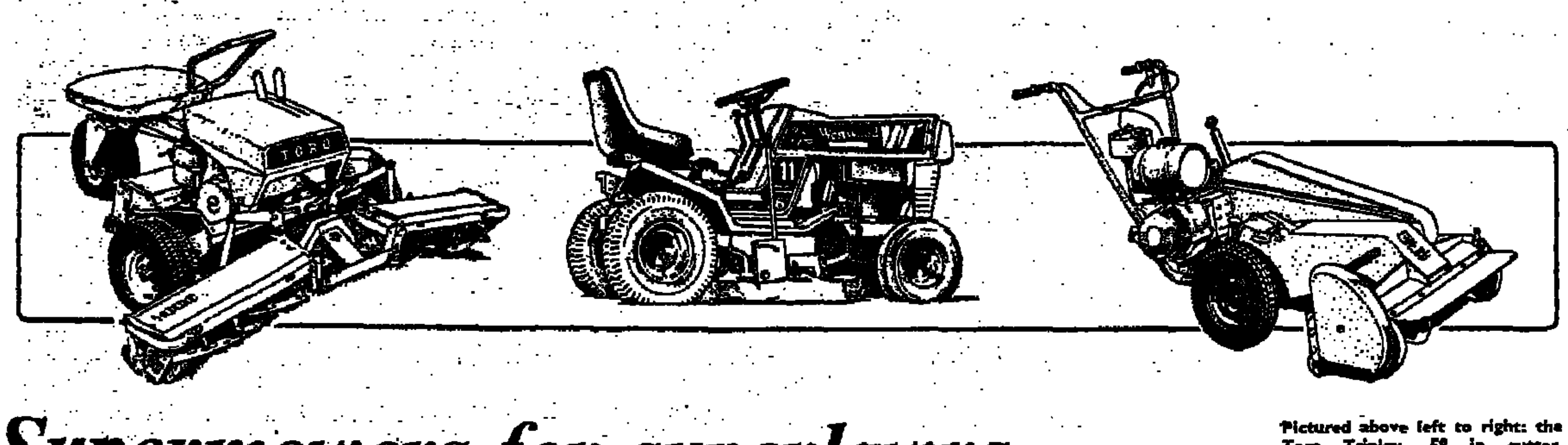
But there is really no pleasing estate agents. When they successfully sell their stock the cry is that there is a dearth of good properties to sell. "Too many applicants chasing too few houses," mourned several country agents, forgetting that because there are so many of them, that is one of the reasons that the stock has to be spread so thin.

"It is the eternal catch 22 situation," insists Tim Simond, senior partner of Mistral International, Bursnall Street, SW3: "There is plenty of money around, and confidence in a stable economy means people are prepared to trade up. *But* few want to sell their homes until they have found the next one."

As an example, someone with their current home valued at say £75,000, cannot find anything available at £100,000, because an owner in this category cannot find anything at £150,000, and so it goes on.

Juniper Hill, Mickleham, Surrey, magnificent Grade II listed 18th century mansion in 48 acres, where Winston Churchill is reputed to have stayed during the war. There are 6 bedroom suites, 3 staff or guest flats, a cinema, billiard room, swimming pool and tennis court. Illustrated brochure from Stephen Perks, Hampton and Sons, 6 Arlington Street, London, SW1 (01-493 8222), who is asking around £2m on behalf of the seller, a Middle Eastern banker.

Right: Victorian artist James McNeil Whistler's one-time studio at 21 Cheyne Walk, Chelsea, where he lived for three years from March 1890. The Grade II listed Georgian house, sympathetically restored, is for sale in excess of £1m through Nicola Cambrook, Farrar Stead and Glyn, 152 Fulham Road, London, SW10 (01-731 4391).



Pictured above left to right: the Toro Triplex, 58 in cutter, £1,560.44p, plus VAT of £234.06p; the Westwood Gazelle—8 h.p., 28 in cutter, £945 including VAT, or 11 hp with 36 in cutter, £1,135 including VAT—and Ransomes Multimower power unit costing £1,200.60p plus 30 in reel cutter at £622.15p, or 27 in rotor cutter, £509.45p, all prices including VAT. Drawings by Frank Wheeler.

Supermowers for superlawns

GARDENING

ARTHUR HELLYER

FOR LARGE GARDENS it is easy to acquire the wrong type of grass cutter and expensive to learn by one's own mistakes. The first necessity is to be quite clear of the finish required, or finishes for it may well be that these will not be all the same throughout the garden. Though manufacturers of rotary grass cutters are constantly improving the quality of their performance and cylinder or reel mowers that can deal with quite long and wet grass have long been available, it remains true that for the finest finish the cylinder mower still reigns supreme. For really rough cutting the rotary is only surpassed by the oscillating blade, hay-cutter type of machine the best of which, the Allen Autoscythe, is sadly no longer manufactured though the excellent Mayfield scythe is still available.

Rotaries are versatile and easy to maintain. When blades get blunt they can be resharpened with a file or replaced at modest cost. Blunt or damaged cylinders need expert attention and the annual overhaul can be expensive. Even small stones can do a lot of damage to cylinder blades, usually more serious than that suffered by rotaries.

The answer to these problems may well be that at least two machines should be bought, one a cylinder mower with at least five blades, probably more for use on the finer lawns, the other a rotary to cope quickly and easily with the longer grass which is required only as a pleasant setting for flower beds, trees, shrubs and landscaped vistas. My own solution is slightly different; two rotaries, one ride-on the other walk behind, *for all the rough cutting* except the longest grass and weed for which I carefully preserve an old Allen Autoscythe purchased more than 25 years ago, and a petrol-engined Flymo for cutting the lawns around the house which are not required for games of any kind. Because of its slim hood it is also excellent for cutting under shrubs and overhanging plants and like all hover mowers it can be *swung like a pendulum,* which makes it useful for cutting grass on steep banks. I know some bog gardens where a petrol-engined hover mower is kept specially for bank cutting and is replaced annually if that proves necessary.

But why, someone will ask, do I keep both a ride-on and a walk behind mower? The answer is that I find the ride-on far less tiring for large-scale cutting, especially when it involves going up and down slopes, but not so good as the walk behind for getting very close to trees and shrubs or for manoeuvering in and out of awkward places. Very often my son will be using the walk behind while I am working more easily with the ride-on. It *is very important to have a test* on site before buying any large machine and by a test I mean handling it oneself for half an hour, not just watching an expert put it through its paces.

There is intense competition between manufacturers of grass cutters and one drawback of this is that some try to cut prices by using smaller engines. For the buyers it is a false economy because grass cutters nearly always have to work some of the time in arduous conditions and need to be robustly made and powerfully *engined to cope with it. If they* are not they will soon have to be scrapped or expensively repaired.

Rather surprisingly rotaries require more power than comparable cylinder mowers. My own ride-on mower, a Westwood Baby Gazelle with a 28 in cutter, has a 6 hp Tecumseh engine which is only just adequate. It is now available with an 8 hp Briggs and Stratton for a few pounds more and, were I replacing now, that is what I would buy. Ride-on mowers with 36 in cutting bars are often fitted with this 8 hp engine but 11 hp is to be preferred *when available. A gear* box with five forward speeds and reverse is desirable especially if the machine is to be used for hauling as well as cutting, as mine is.

Another point to consider with rotaries of any type is whether they throw the cut grass to one side or backwards. Side discharge means that, unless the grass is collected in a box or bag, it will lie in swathes and if the grass is long the swathes will be heavy, unsightly and liable to kill the grass beneath.

Raking takes a lot of time and energy, collecting in a garden vacuum sweeper means more capital expenditure and yet another machine to service. I prefer rear discharge which *scatters the grass widely and* so allows it to wither without damage if one prefers it that way, as I usually do. The difficulty about gathering mowings is that one is constantly stopping to empty the box or bag. Anyway a mulch of grass clippings does good, especially in summer, provided there is not a lot of weed to be distributed. Incidentally a rotary grass cutter with a pick up box or bag will double in autumn as a leaf sweeper and so make a garden vacuum unnecessary.

An alternative to having both *a large rotary and a cylinder* mower is to buy a power unit, such as the Ransomes Multimower, to which either type of cutter can be attached.

Power driven cylinder mowers come in all manner of shapes and sizes but until one gets to the very big machines most do not carry the operator. It is a sobering thought that, using a machine giving a 30 in cut, one walks about 4½ miles to cut an acre of lawn. Some of the medium-size cylinder machines offer a trailer seat as an extra but on the whole I have not found these very restful to use. It is another good reason for having an extended trial before making up one's mind.

A very ingenious American reel cutter is the Toro Triplex which has three wheels, the two front ones power driven the back one swivelling for steering, and three reels or cylinders, two mounted in front and capable of being lifted vertically when not in use, the third carried centrally between the wheels. The operator sits on top, so the machine is very compact and it is also extraordinarily manoeuverable—one can almost pirouette with it. The Triplex gives a 58 in cut and a larger model is available.

Many of the larger machines, especially the rotaries, are fitted with electric starters. For engines over 8 hp this is really essential but I chose manual starting for my 6 hp machine, not primarily to save money but because with a previous battery started machine I often found the battery flat when I *wanted to use it. This was not* because of any fault with machine or battery but simply because the previous user had failed to put it on charge. Unlike car batteries, which are automatically charged by the engine, most mowers have their batteries charged from the mains when they are off duty. It is all too easy to forget this or to think that it is not necessary this time. It is not too difficult to start a small engine by hand and I prefer the certainty this provides.

Mellow fruitfulness

TRAVEL

ARTHUR SANDLES

ALREADY the first signs have arrived. Having trumpeted their way through the summer sales the shops have switched to autumnal displays: the nation's cats having enjoyed a field day preying on fledgling birds yet to learn the ways of a dangerous world are now finding the chase harder: and my early *potatoes are now down to the* final couple of rows. We are rapidly approaching that season of mists and mellow fruitfulness.

For years I have clung to the belief that Britain was at its best in the spring. The brilliant greens of newly budded leaves are something of a reassurance that some things are right with the world after all. Our autumns, however, have tended to be seasons of stealthy change—suddenly November is upon us without our noticing.

Last year was different.

For a couple of weeks in early October 1982 Britain's foliage display was well up to the standards that New England has to offer. On one particular Sunday I drove from the north west corner of Wales to London, carving an arc from Snowdonia through the Marches and the Cotswolds to amble eventually over the Chilterns. It was an eye opener. From the start to finish it was one of those "let's stop and take a picture" days. But I had no camera, and not much talent with such gadgetry anyway.

Such autumns as 1982 are rare, neither I nor an enthusiastic expert at the Westonbirt Arboretum in Gloucestershire could recall one like it. But could it be a sign of more to come?

It is the weather that does it, and there seems little argument that, whatever the cause, our weather is doing some odd things of late. Be it ice age, the greenhouse effect, the nuclear era, the volcanoes or the Russians, something has upset the pattern of the past 50 years at least. I am tempted by the theory that the weather is getting back to what it used to be, and that it is the past few decades that have been the exception.

For a good "Fall"—a good old English word by the way, sent to the Americas and replaced here by the sissy Francophonic "autumn"—you need a combination of factors. Basically these are a fairly sharp drop in temperatures, preferably after a drying spell, and then a period of windless and rainless days.

The temperature change tells the trees that winter is *about to come while* the absence of wind and rain ensures that the leaves, when they do change, stay attached to the twigs. Residents of that coastal strip of America from Maine down to Virginia have that sort of weather almost every year. We had it last year . . . could we be lucky and have the same again?

The joy of such weather is that not only does it present a constant spectacle of natural beauty, but also makes for ideal touring and walking. It is the climate of long strolls through crisp bracken and evening mists so beloved of soppy novels.

But that is the good news. The bad news is that spotting the Fall, either in Britain or America, is a tricky game. This is not something you can book in advance with much confidence. In New England it can usually be expected between mid-September and early October; once it arrives in Northern Maine it travels several miles a day in a wave of changing colours. The tourist reaching Boston or New York in the third week of September would be almost certain to catch the Fall, but should be prepared to head in any necessary direction, and to have trouble getting accommodation.

> ‘ Given the change in *our climate it might* be worth taking the risk of an October holiday this year. You could find out that the old country has got New England licked. ’

In Britain the foliage tends to change a little later, and its impact to be more patchy. It is at its best on the Western side of the country, partly thanks to climate but also to some extent thanks to geography—hilly, much-hedged terrain is ideal foliage territory and counties such as Lincoln and Norfolk are not rich in these assets.

The great advantage that Britain has over New England is that autumn is off-season here and accommodation relatively easy to find—and with current exchange rates, likely to be cheaper too.

So where do yo go? Well, you can combine spectacle with instruction by visiting one of *the many arboretums* in the country (although these do tend to be crowded at autumn colour time). There you are pretty well guaranteed colour, and fairly sure to be able to find out the names of the trees concerned in case you should have the inclination, space and patience to want to plant a specimen or two in your own garden.

Many of the imported foliage plants, however, tend to change colour much earlier than the domestic varieties. September is much better for these. There are very good arboretums at Batsford Park in Hertfordshire (it is said to hold the nation's largest private collection of trees); the Hillier Arboretum at Ampfield, near Romsey in Hampshire; Thorpe Perrow, at Bedale in North Yorkshire; and, of course, Westonbirt.

The estates of stately homes can also provide superb autumn colour—Longleat and Stourhead are neighbours in the south west corner of Wiltshire, surrounded by thousands of acres of woodland.

Apart from these deliberate creations the added pleasure of autumn is that, except for petrol and shoe leather, it can mostly be seen for free. A glance at a decent map will show the woodlands and moorlands that can be relied upon for the best displays.

The ideal combination is a stretch of bracken, flanked by deciduous coppices with a touch of water in the form of a lake, river or stream, and a few high hills. Although the best displays come from the maples and the beeches (and probably the worst from the ash) most trees, oaks and chestnuts included, contribute to the scene—provided there is no wind.

Given the change in our climate it might be worth taking the risk of an October holiday this year, or perhaps just a long weekend. Arm yourself with the British Tourist Authority's booklet of commended hotels and restaurants, some comfy sweaters from the autumn collections that all the fashion writers are on about at the moment, and some green wellies. You could find that the old country has got New England licked after all.

A flush of cars with charisma

MOTORING

STUART MARSHALL

AS LUCK would have it, the steady flow of new *models that* started at the beginning of the year became a torrent at the end of May. Since then, I have driven—but couldn't write about here—more than 20 cars that have just made their debut or are at least new to the British market.

Before taking an inevitably brief look at them, I will make two points. First, there has never been such a great range of keenly priced cars available to the British motorist as there is now. And second, choosing Car of the Year 1984 will be a closer and more interesting contest than it has ever been before. Instead of two hot favourites and a load of also rans, there will be at least six entries running neck and neck for the award.

Nor has the flush of new cars finished. The Frankfurt Show opens in a little over a month and a number of important German newcomers will be unveiled—not least the new Volkswagen Golf. Two French cars of unusual merit will soon be on sale in Britain; the Citroën BX in September, the Peugeot 205 before Motorfair in mid-October.

A long-awaited Jaguar convertible—what a pity it couldn't have been ready for this golden summer—will be launched at Motorfair, by which time Ford's Escort-based Orion saloon and the new Fiesta (including a diesel version) will be in the showrooms.

In the medium-sized saloon or hatchback class Alfa Romeo have introduced the 33, Lancia the Prisma and Renault the 11. The Alfa 33 is based on Alfasud mechanical components and combines that car's legendary *handling and roadholding* with a most attractively styled body and interior. The Prisma, in essence a booted Delta, has a firm ride, feels quite sporting, boasts an almost Japanese level of equipment and is priced to seduce buyers away from less charismatic competition. The Renault 11 is a hatchback development of the 9, with a Fuego-type tailgate, four headlamp front end and a new facia.

There have been turbos galore. Volvo's four-cylinder 2.3-litre surprised with its get-up-and-go and serene 120 mph on the autobahn. It seemed almost leisurely, though, compared with the five-cylinder, 2.2-litre Audi 200 Turbo, a 143 mph five-seater with a vast boot that puts supercar performance *within reach of* the senior executive yet will return 30 mpg.

BMW vowed they would never produce a diesel until it could match petrol-engine performance. Their six-cylinder 524td does just that. It gave me 113 mph on the autobahn in mechanical silence, left 2-litre Opel taxis standing at the lights in Munich *and still* did 40.5 mpg on a journey. Sadly, BMW have no plans to bring it to Britain. Fiat won't be importing their vivacious Uno diesel, either. Incredibly, I saw 100 mph on the speed*ometer on a level stretch of* autostrada. But another interesting Fiat due here by the year's end is a Panda with four-wheel drive. It looks like a toy but it goes like the supermini *on the highway, with a fell*-runner's agility across country. A price of £4,200 has been spoken of.

Nissan introduced their Datsun Micra, a formidably good mini-size hatchback, and Daihatsu their new Charade—more of these in a week or two. Suzuki's Alto automatic four-door captivated me as a city car and was much better than I had suspected on the motorway. Nissan's clever sliding-door Prairie spacewagon and the Astra GTE 1.8—Vauxhall's answer to the Golf GTi—have eluded me and are high on my priority list for test driving.

On the four-wheel-drive front much has happened. The Audi 80 Quattro with naturally aspirated 2.1-litre five-cylinder engine brings Quattro coupé all-wheel-drive benefits to a five-seat saloon at a more modest price. I couldn't make it put a foot wrong. Colt's Shogun is a quiet 80 mph cruiser on the highway, has a delicate five-speed box and a car-type interior yet stands a cross-country crashing around like any hob-nailed boot of a 4x4. *The Range Rover has at last* been given the five-speed transmission (a strengthened Jaguar box) it deserves and is now quicker, quieter and less thirsty on the road, which is where most owners seem *to use it.*

The Range Rover is fine as a *solo machine* but now needs a lot of gear shifting when towing heavy loads. The answer: a conversion by Schuler of Sunninghill to a 5.7-litre GM V8 and American four-speed box. The one I tried last week started in second and then went everywhere in top, pulling as though steam-driven.

Subaru's basically front-wheel though when needed all-wheel driven estate car is now available with automatic transmission and power steering. There is no better vehicle for anyone who likes country sports but cannot get around as well as he or she used to. The £5,500 Subaru hatchback is a full four-seater with more cross-country performance than most Land-Rover owners really need.

Finally, four sporting vehicles to fire the imagination. Lancia are now offering the coupé and the HPE estate with the same *positive* displacement supercharger used on the all-conquering mid-engined Rally. It allows massive torque to be developed at low engine speed, producing a performance boost usable *from little more than a* walking pace.

Luckily, I had a BMW Alpina B9 (a 5-series body with a 245 bhp 3.5 litre engine and *P7* tyres on alloy wheels) on test when Townsend-Thoresen whipped me over to Calais to try the new piece of A26 autoroute from St. Omer to Nordausques before it was open to the public. *Who needs a* cramped supercar when a roomy five-seat saloon does 150 mph, quietly enough for the radio to be listened to?

At the moment, I am driving a Porsche 911 convertible, which really is a car with a champagne effect on a jaded motoring palate. More about it later.

BOOKS

Russian ruler

BY ANTHONY ROBINSON

Andropov
by Zhores Medvedev. Blackwell, £7.50, 238 pages

The Andropov File
by Martin Ebon. Sidgwick and Jackson, £9.95, 254 pages

Russians have long suspected that the alternative to autocratic government in their vast multi-national Empire is not democracy as understood in the West, but anarchy. But to function properly on its own terms an authoritarian system needs an authoritative, intelligent, and, if possible, an enlightened and informed leader.

The question now is whether his health will permit Andropov to cope with the strains of leading the Soviet Union out of its economic and social problems at home, and nuclear encirclement, provoked largely by over-reliance on military strength and insufficient appreciation of the fears this has provoked in others. Will he also have the time, and the power, to mastermind the selection, and education to power and responsibility, of a younger generation whose aspirations were also frustrated by the stagnation of the latter Brezhnev years?

There are clouds on the horizon. But for those anxious to know more about the man who rules what wags have dubbed "Andropolis," two books provide fascinating insights into what Mr Ebon describes as the "well mannered workaholic" in the Kremlin.

Mr Medvedev gives a dispassionate account of Mr Andropov's struggle for power; his skilful use of KGB files to discredit and undermine potential rivals and Brezhnev appointees in the political undergrowth; against the background of the corruption and intrigue which marked the last years of the Brezhnev regime.

Much of the source material appears to have been culled from Western newspaper reports. I looked in vain, for example, for the (possibly apocryphal, but revealing) titbit about the key Politburo session in May last year where Andropov and his arch rival, Konstantin Chernenko, were locked in bitter conflict. This was allegedly resolved when Foreign Minister Andrei Gromyko stopped Chernenko in full flow: "Shut up Chernenko, *you don't know the difference* between Libya and Lebanon."

True or false, it underlines the fact that Chernenko lost out largely because his lifetime's experience had been limited to the labyrinth of domestic party organisation. What the "grand electors," men like Gromyko, and Defence Minister Dmitri Ustinov, wanted was a man with the overall breadth of vision and experience to guide a superpower with global commitments.

Readers who want to place Andropov in this broader historical and political context will perhaps find more to satisfy them in Mr Ebon's book. He quotes approvingly from Ronald Hingley's work, *The Russian Mind*: "Russians like a touch of magic or even madness in their rulers."

Ivan the Terrible, Peter and Catharine the Great, Stalin—they all had it. Khruschev had a version of it. Brezhnev did not. Andropov, with his cold eyes, mysterious KGB past, and reputation for high intelligence, charm, and ruthlessness, has all the ingredients; or should have. But, as Mr Ebon points out: "The fact that Yuri Andropov headed the KGB for 15 years might actually have been an advantage had he emerged as an enigma, half terrifying, half fascinating." Instead, his public appearance is that of an old man, bent by illness and the burdens of past and present responsibilities.

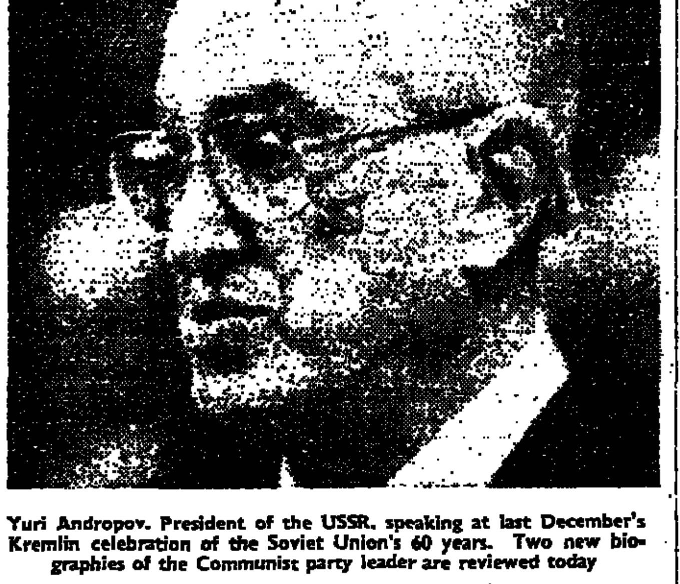
It was all very different 28 years ago, when the provincial railwayman's son from the *Stavropol region of Southern* Russia was the socially polished Soviet ambassador to Budapest. What was his role then?

"Did Andropov mislead the Hungarian leaders and even lure them to their death ... or did he sincerely believe the Soviet government would refrain from sending in tanks? Was he genuinely sympathetic to those communist leaders who tried to introduce a new and liberal policy ... or did he merely sweet talk them while Moscow prepared to crush the Hungarian uprising?"

The answer is probably yes to Mr Ebon's questions. Suslov, Mikoyan and Khruschev himself were the real policy *makers. But it would not have* been too difficult for an ambitious, intelligent man trained in Marxist dialectics to have been both a sympathiser with reformist ideas, like those of Imre Nagy, later lured to his death from sanctuary in the Yugoslav embassy, and at the same time a ruthless executor of measures taken to crush an open challenge to Soviet interests in its prime security area.

Nobody gets to the hot seat in the Kremlin without furnishing ample prior proof of willingness and ability to use force if needed. But Andropov is a scalpel man—not a hatchet man, a disciple of Otto Kuusinen, the Finnish comintern official selected by Stalin as his pro-consul in Helsinki; a sophisticated "salami tactic" operator, like Janos Kadar of Hungary, whom Andropov helped to appoint, and who is now the most popular communist leader in the bloc.

The nature of power in the Soviet Union is such that it is probably better for all concerned if it is ruled by a man with a sophisticated grasp of domestic and world affairs, a penchant for minimum use of force, and a flexible sense of how to defend the Soviet Union's legitimate national interests. That is how Mr Andropov emerges from these pages.



Yuri Andropov, President of the USSR, speaking at last December's Kremlin celebration of the Soviet Union's 60 years. Two new biographies of the Communist party leader are reviewed today

Post-Widmerpool Powell

BY ANTHONY CURTIS

O, How The Wheel Becomes It!
by Anthony Powell. Heinemann, £6.95, 143 pages

How to make us believe in a writer who never existed? A certain kind of fiction attempting this dangerous strategy begins with an appeal to literature itself for its authority and credibility. For example; consider:

When a book about the literature of the eighteen-nineties was given by Mr Holbrook Jackson to the world, I looked eagerly in the index for SOAMES, ENOCH. I feared he would not be there. He was not there. But everybody else was. Many writers whom I had quite forgotten, or remembered but faintly, lived again for me, they and their work, in Mr Holbrook Jackson's pages. The book was as thorough as it was brilliantly written. And thus the omission found by me was an all the deadlier record of poor Soames' failure to impress himself on his decade.

Or consider this:

In one or other of G. F. H. Shadbold's two published notebooks, *Beyond Narcissus* and *Reticences of Thersites*, a short entry appears as to the likelihood of Ophelia's enigmatic cry: "O, how the wheel becomes it!" referring to the chorus or burden "a-down, a-down" in the ballad quoted by her a moment before, the aptness she sees in the refrain. Shadbold follows up this comment on archaic usage of the word with the reflection: "But as to the first *wheelwright's wheel, only* a step was required from the invention of that disc rolling on its own axis as an aid to transport for man to develop those potentialities into an even graver menace to his kind of the roulette-board."

The first quotation is from Max Beerbohm's collection of tales about authors, *Seven Men*, the second from Anthony Powell's short new novel (his first since he completed *The Music of Time* sequence) *O, How The Wheel Becomes It!* a work very much in the dandified Beerbohm tradition. Anchored firmly to a real book or a real quotation, placed in a real prolific period of literature, we move rapidly into the area of parody; we are in the company of imaginary writers and their imaginary works, their all-consuming obsession with their careers. This is not a game to be recommended to the novice; but as played by a skilled performer like Mr Powell, or a master like Beerbohm, it can be hugely entertaining.

The similarities between the 1890s and the 1920s as literary decades have often been observed. Mr Powell points to them once again in tracing the career of Shadbold. In his salad days in the 1920s he had ambitions as a novelist, but these have long since been relinquished in favour of a Connollyesque stance as a leading reviewer, aphorist, and writer of introductions. In this career he has succeeded in establishing a reputation, making a modest competence from his critical labours, augmented by occasional appearances on television. In his younger, more creative, period he had a friend and rival, Cedric Winterwade, who wrote a novel in the tradition of social realism which appears to have suffered the fate of Enoch Soames's verse — to have sunk without trace.

If Beerbohm and Mr Powell are to be believed, writers spend a lot of time wondering about the fate of their work after they are dead; the thought that it may suffer oblivion is one recurrent nightmare; the other is they may appear through the eyes of their contemporaries in an unfavourable, mean-spirited, or absurd light. It is this thought that bedevils Shadbold when a diary kept by Winterwade, killed in the war, suddenly turns up in the possession of his son in Australia and is sent by a publishing friend to Shadbold for an opinion as to its worthiness of being published, with the suggestion that he might care to edit it.

The crisis in the life of Shadbold precipitated by the appearance of this manuscript is brilliantly handled by Mr Powell; after a slow-burning, Proustian fuse the past explodes into the present, not with quite so many convoluted Catherine wheels as in *The Music of T*, but as a spectacularly blossoming small rocket.

Stories for a sunny summer

BY GAY FIRTH

Some rattling good reads have poured over the dam this summer; not much would-be literature. It is a time-honoured, careworn, probably faulty publishing axiom that serious—and seriously well-written — novels are less likely to flourish under hot holiday sun.

Morris West's **The World is Made of Glass** (Hodder and Stoughton, £8.95, 315 pages), Jack Higgins's **Exocet** (Collins, £7.95, 237 pages), and Richard Condon's **A Trembling Upon Rome** (Michael Joseph, £8.95, 232 pages) are rattling good reads from professionals with 44 previous novels between them. Solid plots and less-than-subtle characterisations rampage across La Belle Epoque *à la* Carl Gustav Jung, the Falklands *à la* Secret Service shenanigans, and 14th century Italy *à la* the first Pope John XXIII. You can take your pick *à la* whatever airport bookstand you happen to be stuck in. Each has its quota of serious reflection: just enough to confuse prospective movie-makers, not happy readers.

There is little confusion, less happiness in **Death is Part of the Process** (Sinclair Browne, £7.95, 294 pages): Hilda Bernstein's clear, uncompromising tale of conspiracy, sabotage, and licensed state brutality in South Africa in the early 1960s. Her characters, in all colours, are as vivid as the rigid social conventions and repressive attitudes of her setting. Such a story is never out of date: this year Hilda Bernstein won the first Sinclair Prize, a new literary award for previously unpublished fiction "of high literary quality with contemporary social and political relevance."

Glittering prizes litter Clive James's first "novel improper" for our times. **Brilliant Creatures** (Jonathan Cape, £7.95, 317 pages) is so stuffed with genuinely funny, genuinely clever jokes that you may not notice Mr James substituting caricatures for characters. Notes and Index for plot, and nervous send-ups of literary and media celebrities for genuinely comic tilts at the artificiality and nonsense attached to fame. Now Mr James is easily clever and funny enough to know that it is possible — though never easy—to be clever, and funny, and write "proper" novels as well, if you have the courage of your cleverness and funniness. Kingsley Amis did; and does. So does Frederic Raphael. Mr James does not, yet; and *Brilliant Creatures* reads uneasily, *accordingly. But it is* brilliantly funny. Take courage, Mr James.

Stephen Benatar and Nicholas Salaman are two relatively recent novelists whose individual skills and originality catch the eye—the cold, hard eye of the reviewer—with respect. Mr Benatar's third novel, **When I Was Otherwise** (The Bodley Head, £7.95, 270 pages) is his second journey into old age: three elderly relatives living together in apparently ordinary circumstances, spiralling into reclusive dottiness, dilapidation, and death. **Dangerous Pursuits** (Secker and Warburg, £7.50, 192 pages) is Nicholas Salaman's promise to write a second novel as good as *The Frights*. It shows us a high-minded Peeping Tom —"none of your heavy breathing behind the double glazing" —getting his own back on the decline of morals. Imperial military doggedness seeks, hilariously, to stiffen softening British upper lips. The standard of ironical story-telling, like Mr Benatar's, is well above the usual summer run: English as she should be writ: adventurous.

Not so Antony Beevor's, whose novel **The Faustian Pact** (Jonathan Cape, £7.50, 208 pages) reads like a comfortingly old-fashioned political thriller, with enough new-fangled political horrors— terrorists, computer systems, Northern Ireland—thrown in to raft it out of the 1930s. Nina Bawden's **The Ice-House** (*Macmillan, £7.95, 236 pages) begins* to melt and drip a bit towards the end, but Miss Bawden is an established novelist who never writes less than well, and this story of Ruth and Daisy, friends from childhood, now neighbours in middle-aged motherhood, middle-class comfort, middle-brow adultery, is beautifully observed: a chilling, well-worked melodrama. There is a lot of adultery about in Nancy Thayer's **Bodies and Souls**, too (Hodder and Stoughton, £8.95, 373 pages): an American import bristling with bodies in beds, souls in torment: superficial cleanliness and godliness in a prettily middle-class New England setting.

M. S. Power is a new Irish writer well worth watching. **Hunt for the Autumn Clowns** (Chatto and Windus, £7.95, 160 pages) pegs a delicate piece of story-telling to the Wordsworth poem of the same title. Set in a remote Irish island, to which a disgraced priest, Father Redmond, has been exiled, this tale of an idiot boy and a schoolmarm, Miss Hudson, reminds us that humanity is humanity wherever we find it, that those who may seem less than human are no less human than ourselves, and that unless we seek humanity in our hearts there is less hope of a more humane world. Mr Power makes the point in a first novel of exceptional subtlety, never forgetting that an Irishman's first duty is to his story-spinning.

Four collections of short *stories provide a lucky dip of* "good reads" and real surprises. Robert Nye's distinctive tone of voice sounds spasmodically through **The Facts of Life and Other Fictions** (Hamish Hamilton, £7.95, 153 pages): 16 stories, some marvellously subtle, others mere experiments with dreams and language—and why not. Hugh Fleetwood's six stories, **A Dance to the Glory** *of God* (Hamish Hamilton, £8.95, 183 pages), look at people who have to invent their own world in order to keep a foot-hold on the real one: story-telling about story-telling: sad; frightening. John Gardner, who died last year, has a fitting memorial in **The Art of Living and Other Stories** (Secker and Warburg, £8.50, 283 pages): ten tales ranging from the Middle Ages to the mid-1930s, the Mid-West to lands of Make Believe. And Clare Boylan's 15 stories in **A Nail on the Head** (Hamish Hamilton, £8.95, 135 pages) nail human relationships, especially in love, more often than not in a collection evidently hustled out of cold storage to follow her recent first novel, *Holy Pictures*. The *novel is better. But her stories,* extravagantly written, rattle with life.

Visible asset

BY ROBERT RHODES JAMES

Finest Hour: Winston S. Churchill 1939-41
by Martin Gilbert. Heinemann, £15.95 (£20 uniform edition), 1,320 pages

I know of no career, no *character in our modern history* that has been more turbulent or controversial. For those of my generation—born in 1933, brought up first in the shadow of the imminence of war and then in the reality—Churchill was our beacon, our hope. Clement Davies, in a superb analogy, described his arrival as Prime Minister in May 1940 as that of the family doctor marching up the path to the house where there was illness, bringing confidence that all would be well. Wars are not won by speeches, but it was the character breathing through the speeches that mattered.

From the outset of the official biography I was dubious about the manner in which Randolph Churchill approached his task, and as the volumes have relentlessly appeared—with their vast Companion Documents—these doubts have not been wholly allayed. Churchill was a person, not a national monument: I do not accept the concept that historiography and biography consists in massive documentation piled up on the German and American supposi*tion that sheer size and weight* will provide, by themselves, the message and the portrait. One can admire such assiduity, while doubting its ultimate value. It is not enough to have the papers, the letters, the memoranda. What we seek is the man himself.

Randolph Churchill was, to put the matter mildly, a complex man whom some loved and admired, and most did not. Mr Gilbert took up his task on Randolph's death with far higher qualities as an historian but also, ironically, as a considerably less critical admirer. But in this volume, he has at last achieved the balance that has so far eluded him and Randolph. Just as becoming Prime Minister at our darkest moment made Churchill humble, so has the enormity of the challenge confronting him made his biographer recognise that not all decisions were right, that all did not go well, and that Churchill as First Lord of the Admiralty and as Prime Minister was not infallible.

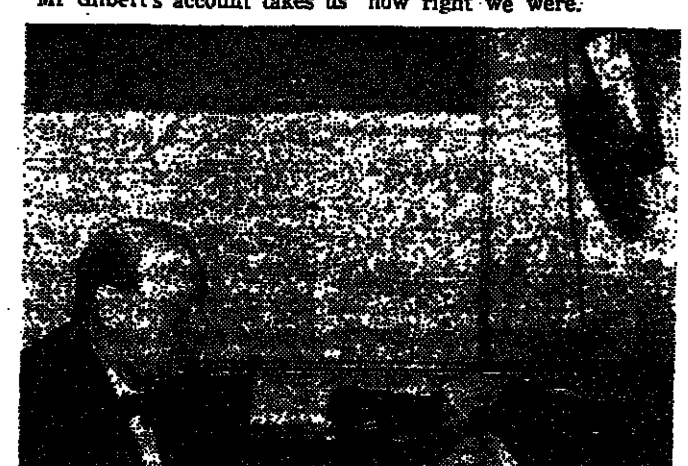
But what does emerge, once again, are Churchill's astounding energy and his resolution. The secrets of breaking the German codes, to which Churchill could only allude in his own account, are now given in full, but they do not diminish Churchill's achievement; indeed, his speed at realising their importance, acting upon them when others were sceptical, only enhances his towering reputation and intellectual grasp. The story of the young R. V. Jones astounding the Cabinet with his information about German beams for night bombing has been told before, but it cannot be told often enough; it was the Prime Minister who grasped the appalling implications before anyone else. "Here," as Professor Jones wrote, "was strength, resolution, humour, readiness to *listen, to ask the searching* question and, when convinced, to act." There has never been a better description of the real qualities of Churchill's war leadership.

Mr Gilbert's account takes us up to the Japanese attack on Pearl Harbour after the darknesses and difficulties of 1941, probably the worst period for Britain of the entire war, although redeemed by the involuntary involvement of the Soviet Union, and American support. As he recounts, tactfully, there were moments when the resolution of others in government faltered, and it is not inappropriate to be reminded of the total cynicism and selfishness of the Soviet leadership—nor of the very different qualities of the American President and his advisers.

This is a huge book, of vast importance for historians, lovingly and comprehensively researched. Other historians may question some judgements, but all in all it is a masterpiece. But out of its 1,274 pages I take this quotation from a letter to Churchill by Duncan Sandys;

"Good luck to you dear Winston. You are, I feel, our one solid and visible war asset. *All else may fail; but so* long as you are there, somehow you will bring us through to victory."

That was our feeling in those desperate times; we now know how right we were.



Churchill's first wartime broadcast- an illustration from the sixth volume of the official biography.

Lionising

BY ZARA STEINER

The Last Lion: Winston Spencer Churchill
by William Manchester. Michael Joseph. £14.95. 973 pages

Apart from its bulk, this is an excellent book for vacation reading. William Manchester writes with *brio* and enthusi*asm. Though far from* uncritical, he revels in those very qualities which offend so many of Churchill's contemporaries and present-day critics. For even the younger Churchill (this 973 page volume ends in 1932) was a larger than life figure and a would-be bull in the Edwardian china shop. Mr Manchester has produced a biography on the grand scale, a "life and times" account which is best read for enjoyment rather than for instruction.

The informed reader will immediately recognise the author's acknowledged dependence on Martin Gilbert's great labours; the authorised biographies and companion volumes have been intelligently culled with a sharp eye for the apt quotation. Churchill's own writings are a source of refreshment for the author: Mr Manchester's zest for his subject has not been dulled by the search for sources and the quest for accuracy.

British readers will either be irritated or amused by the Americanisms in this volume and by the author's conscious effort to write for a mass audience of educated but middle-brow Americans who may know something about Churchill but little about that remote world in which he was raised and came to political prominence.

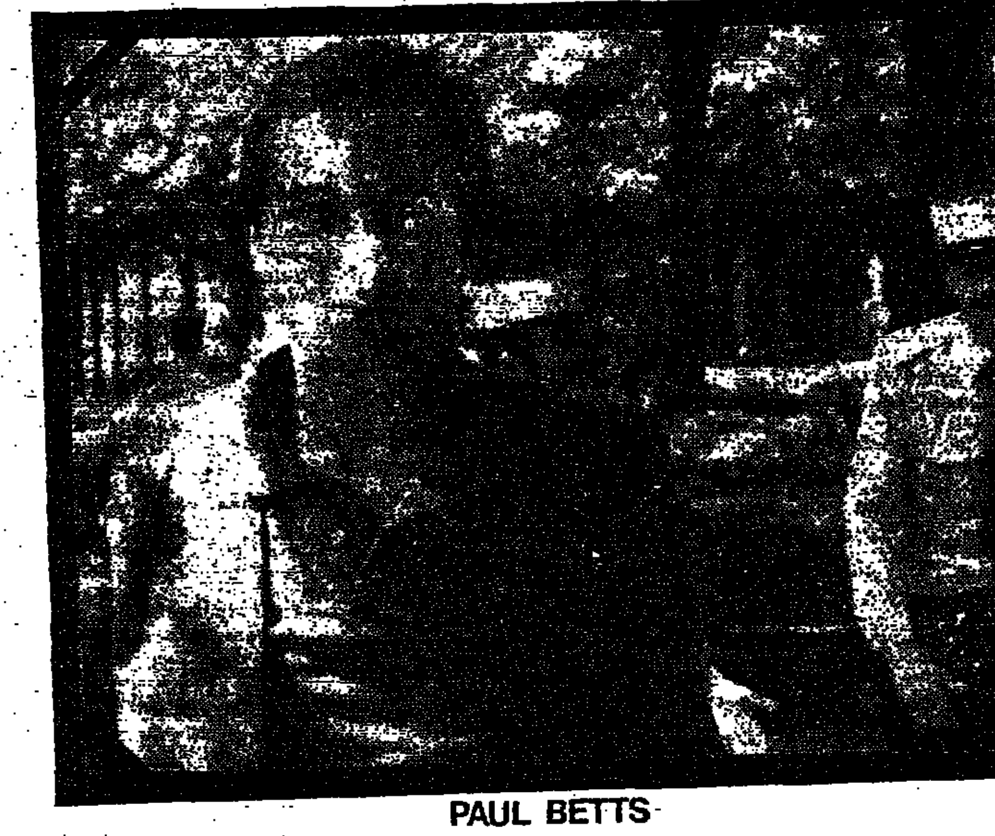
Mr Manchester cannot resist the temptations provided by the events in Churchill's unhappy childhood. The doomed life of Lord Randolph Churchill, the amorous adventures of Jennie, their neglect of their young and adoring son, opens a Pandora's *box for any biographer.* Theorising about nannies and public schools may have a firm basis in reality but the writer must proceed with tact and care. *The Last Lion* will confirm, alas, the over-simplified image of Britain already created by the successful screenings of "Upstairs, Downstairs" and "Brideshead Revisited" on American TV. The reality was far more complex. Many factual errors, incorrect place names, garbled quotations and false attributions could easily have been checked before publication.

But in a sense, William Manchester has rescued Churchill from the historians. Churchill's life was an extraordinary one and Mr Manchester gives it the full treatment: the space, the range, and the detail. Narrative skills permit a penetrating and perceptive portrait of the oscillations between depression (the Dog days) and euphoria, and an adequate guide to the ups and downs of Churchill's chequered career. Not surprisingly for the author of *Goodbye Darkness*, some of the best sections in this biography show Churchill at war. The familiar story of the armoured train ambush and Churchill's escape from a Boer prisoner-of-war camp in 1899 is *recounted here with* just the right balance between admiration and irony. If the details of Churchill's political battles are less authoritatively presented, Mr Manchester rarely falters.

This is a book to be enjoyed. Disregard the book's simplicities and errors. The Churchill story is a fascinating one and Mr Manchester tells it well. The paper-back edition of this book should become, quite deservedly, a Heathrow best seller.

SUMMER IN THE CITY

This is the season for exploring cities other than your own. For those of you who may shortly find yourselves in foreign parts, six of the FT's foreign correspondents take an intimate and idiosyncratic look at the cities they have grown to know and love. This week New York, Paris and Dublin...



PAUL BETTS

RICHARD LAMBERT

BRENDAN KEENAN

PARIS

AS SOON as the long summer school holidays begin, my wife, in the best Parisian tradition, takes off with our three children to the countryside leaving me behind in the hot—this year especially hot—city. But Paris could not be more pleasant in summer.

The city is relatively (by Paris standards) quiet: business has come virtually to a halt and the heat takes care of the rest. The summer is when you rediscover Paris; when you enjoy your *quartier* or neighbourhood best and when you really get to know it.

I live just off the Champs Elysées near that Camembert-shaped roundabout called, not very originally, the Rond Point halfway down from the Arc de *Triomphe towards* the Place de la Concorde.

I don't like eating in my street, however. I prefer to go to the Rue Marbeuf a short walk away to two most Parisian restaurants called Chez Edgard and Chez André. Chez Edgard is the better of the two; but both are consistently good, reasonably priced (£15 a head with wine and three courses) and great fun.

The neighbourhood is close to the Petit and Grand Palais. After trudging through one or more exhibitions in the two big halls (the exhibitions, like the last Manet show, are often spectacular), the Marigny gardens offer a *welcome* rest. I often read there on a bench. Three times a week, the stamp market is held on the shaded edges of the garden. The bell regularly rings in the afternoon for the start of the show at the Guignol or French Punch and Judy show. There is, despite the hum of the traffic and the blue jeans of the foreign students, still a *fin-de-siecle* atmosphere.

Another most favourite haunt is the garden of the Palais *Royal in the quartier where I* work. It is like an enormous cloister within easy walking distance from the Louvre. At one end is the famous Le Grand Véfour, one of the temples of French gastronomy which has somewhat faded in recent years.

There is a smaller restaurant where you can eat outside in the garden of the Palais Royal. You go there more for the atmosphere than for the only average food. Nearby in the Rue des Petits Champs is Willi's Wine Bar. It is a British establishment, remarkably pleasant and good on wines.

One could go on forever on the *subject of food, but two* last suggestions. The Tour

> "summer is when you rediscover Paris"
>
> PAUL BETTS

d'Argent — perhaps the most *famous* of all Parisian restaurants with its impeccable view of Notre Dame, its legendary wine cellar and its duck "(Everybody must eat the duck once in his life," says the Viscomte de Noailles) has also had to make concessions to *the* new hard economic times of France. It now offers a menu at lunch for just under £20 (excluding wine and service).

Way down at the other end of the scale is the Rubis, a tiny hugely popular bistro in the Rue du Marché St. Honoré. You can't miss it because there are a few large wine barrels outside on the pavement where the Eurobond traders of the Paris-*bas bank* cluster round extraordinarily pleasant bottles of *red wine and plates of meat* and potato salad or oozing cheeses.

The Rubis is as good a place as any to have a drink (or buy a bottle of wine) before hitting the shops on the Rue St. Honoré. The wonderful thing about the summer is that there are a large number of sales.

Moreover, taking a leaf out of American retailing practices, there are a good crop of *discount stores even in the high* fashion sector. These shops offer what the French call "dégriffés"—these are products or goods without their original labels. It is the way to buy *haute couture* at relatively reasonable prices. You can then presumably sew a new label on. I am told the best *dégriffés — these* are *pro-Griffes Dehors* at 84 Rue Sèvres in the seventh *arrondissement*. I am also told there are some interesting *dépot-vente* shops where people (usually well-to-do French matrons) bring their wares, leave them, and hope someone will buy them. One such barter-type store is *Réciproque* in the Rue de *la* Pompe.

Paris is also a city to do all the obvious things at a leisurely pace. When friends drop by on their way south or stay for a few days' visit, it is an immeasurable pleasure to rediscover all the corny old clichés that make Paris what it is.

From Montmartre to a trip down the Seine on a *bateau mouche: from a stroll in* the magnificent Place des Vosges to the quiet of the Ile St Louis: from the colourful *quartier populaires* to the most Parisian of quarters of the fifth and sixth arrondissement. Just take *it easy* and remember one or two things—always carry your identity papers (the French have a fetish about them); tea costs much more than coffee and beer much more than wine; and that if it gets really hot, oysters can be a little tricky.

NEW YORK

CENTRAL PARK on a sunny summer's afternoon: the best place to be in this best of all cities. Sit quietly on the sidewalk bench and see how New Yorkers relax.

Hordes of perspiring joggers, squadrons of straining cyclists, go thundering by. Here comes an immense roller skater, springing and cavorting to the secret rhythms of his Sony Walkman. A troop of Morris dancers (!) jingles into action, and a fat man in shorts is trying to push down a tree.

When the thought of all this crackling energy becomes too much, slip across Fifth Avenue to the Frick Collection, on 70th Street. New York has a galaxy of galleries and museums, ranging from the spectacular (the Met) to the boring (the Museum of Modern Art: they don't even seem to serve that nice cheesecake there anymore).

But the Frick is something special, not just because of its collection of pictures—which is outstanding—but also because of the building in which it is housed. The central courtyard, with its fountain playing softly, seems a million miles from the hustle and bustle outside.

It's time to go somewhere high up—the Empire State, *maybe, or to the top of the* World Trade Centre. I know there are taller buildings around these days but you get the perfect view of New York Bay and of Manhattan's theatrical skyline.

Unlike London, the most interesting bits of Manhattan are often within walking distance of each other. Equip yourself with stout shoes and a pocket guide: Michelin's *New York City* is as good as any.

When the *pavements* get *too hot, the bus service seems* — to a Londoner, at least — to be a miracle of efficiency. There is a flat rate of 75 cents and you must have the exact change. The subways are dirty and noisy, but they offer speed as well as an enormous sense of achievement the first time you succeed in getting from A to B without actually having to beg for help. And there's no better place to get a feel for "*your tired, your poor, your huddled masses yearning to breathe free...*"

Talking of which, it's worth taking a boat trip off the southern part of the island, perhaps to the statue of *Liberty*.

Stock up for your excursion with essential supplies. David's cookies — so good that some shops sell nothing else — and Haagen-Dazs' ice-cream.

When it comes to more sustaining meals, New York offers an endless variety of choices. For a treat, I like to go to the Russian Tea Room near the Carnegie Hall—flashy and crowded, and a fine place *to see dowagers eating pickled* calves' feet. The Oyster Bar in Grand Central Station is a good New York experience, offering brusque waitresses, much noise and unpretentious food.

Take a meal in Chinatown, and then wander through to Little Italy for dessert and coffee. Or when you feel like roughing it, venture down to Katz's delicatessen on East Houston Street: a huge steaming mess of a place, full of people who look like Sergeant Bilko eating enormous sandwiches. From the ceiling hang memorable slogans such as "Send a salami to your boy in the army."

You'll need a good restaurant guide. *The Restaurants of New York* by Seymour Britchky is highly recommended.

Of course it's easy to romanticise about New York, especially on a temporary visit. The temptation is to ignore the numbing contrasts between wealth and poverty, and to *forget that diversity* can bring turmoil as well as colour.

As Paul Goldberger writes: "New York remains what it has always been: a city *of* ebb and flow, a city of constant shifts of population and economics, a city of virtually no rest. It is harsh, dirty and dangerous, it is whimsical and fanciful, it is beautiful and soaring—it is not one or another of these things but all of them, all at once, and to fail to accept this paradox is to deny the reality of city existence."

DUBLIN

DUBLIN, they say, is not what it used to be. But then, they may add, it probably never was. *Certainly the "rare oul' times,"* as a popular ballad describes the Dublin of old, are gone for good.

The population of the city has grown by a third in 30 years, *a rate of increase unparalleled* in Western Europe. Such growth brings strains on the social and physical fabric; there are traffic jams, a flourishing line in petty street crime and car thefts—visitors' cars a speciality—and people don't smile as much as they used to.

Ireland's economic difficulties have also made it a distinctly expensive city. The Dubliner's staple diet—the pint of Guinness—now costs *him* the equivalent of 90p. A bottle of whiskey is at least £10 and, with petrol at £2.20 a gallon, even the scenery is hardly free.

Nevertheless, the city has its attractions. *To the British visitor* it is unmistakably foreign, even though it is only an hour from London, traffic moves on the left and the people speak English—well, sort of.

But one would never imagine one was anywhere in the UK. This is partly due to the Irish abandon which can prove so irritating at other times. I still treasure a sighting of quintuple parking at noon in the city centre—two cars abreast at one side of the road and two plus a van on the other.

The locals are entitled to complain but the visitor is expected to take it in the holiday spirit *and get on with enjoying* the delights of Dublin.

There is the Georgian architecture *to admire*—what's left of it. The finest houses have fallen to urban decay and the tenements, which O'Casey and Behan knew, to re-development. But the area around Merrion Square still gives a vivid impression of what 18th century *town living must have* been like. Don't miss Trinity College, especially if the sun shines.

There is the theatre of course; made famous by the stars it has produced down the years. It may not be as good as London's West End, but it can be more fun, especially if you "make an evening of it." And it's not just the Abbey; check your copy of *In Dublin* magazine for what's on in the smaller fringe theatres.

The *National* Gallery is well worth a visit. The National Museum is short of funds and space but this summer you can see the Derrynaflan chalice, which was found with a metal detector in a field in Tipperary. It has been restored in London and will be one of the wonders of the lost Celtic civilisation.

Buying things is a problem because nearly everything is more expensive than in the UK. *Most of the big shops will* send the Waterford glass or whatever to the address of your choice, which means it escapes crippling Irish VAT of over 30 per cent. But you have to calculate the duty payable at home before you know the true price of the article.

The connoisseur may be able to pick up a bargain in antique Irish silver of which there is usually plenty on display. The keen-eyed sometimes spot an undervalued picture and, anyway, the browsing is great fun. By the same token, the second-hand bookshops along the quays are well worth a visit.

In my book, it is the activities so readily available to Dubliners

> "eating, drinking and talking... what Dublin is really about"
>
> BRENDAN KEENAN

which are the city's biggest attraction and most of them are equally accessible to visitors.

Dublin is surrounded by golf courses. As well as the justly *famous*, like Portmarnock and Royal Dublin, there are lesser-*known delights such as* the Island and Greystones. The Liffey may smell at low tide but there have been good catches of salmon at Islandbridge this year.

Out in the bay, which is Dublin's greatest natural asset, the yachtsmen are often glad to have experienced crew. If horses are your preferred conveyance, *what* better than a morning canter among the deer in Phoenix Park?

All of this will set you up for the evening's eating, drinking and talking which, of course, is what Dublin is really about. Irish restaurants used to be the bane of the country but there have been great improvements in recent years.

The main problem now *is* price and, whatever the brochures may say, it is difficult to get a good meal for two, with a bottle of wine, for less than £30. The very best eating is mostly outside the capital. Still, restaurants like the King Sitric or Snaffles have established reputations, while among the newer places, O'Casey's and the Bentley are currently in form.

You can try the new French cuisine in Patrick Guibaud's and the old French cuisine in the Mirabeau. Both are very good but very expensive. Hotel restaurants in general are not *recommended*.

An evening in the pub is cheaper, although still a shock to the wallet, and probably more fun. In some there is traditional singing and in others *spontaneous singing. Some*, like Ryan's of Parkgate Street, are famous for their decor; others, like Mulligan's only for their pint — and Guinness really does taste better in its country of origin.

If you think Irish whiskey is not to your taste, pay a little more for a glass of 10, 12 or 15-year-old. Some bold souls are actually trying to introduce Dubliners to "real ale," with a brew called Dempsey's. The proprietor cheekily describes his modest establishment as "the second-largest brewery in Dublin."

Drink is important but good *company more so. It is almost* possible to pick one's companions according to the choice of pub. Lawyers will be spending their refreshers in the Legal Eagle, or afterwards in the wine bars-cum-discos along Leeson Street.

Politicians eye each other warily from corners in Buswell's Hotel, while *party activists* and PR people discuss dirty tricks in Scruffy Murphs. The captains of industry sip gin and tonics in the foyer of the Berkeley Court while, down in Dohenny and Nesbitt's (all the names are genuine) the journalists and economists predict imminent doom for the lot of them.

Still, never mind. Call another round and, as a well known advertisement says, "you never know who might drop in." It might even be yourself.

CHESS

LEONARD BARDEN

LAST WEEKEND Viktor Korchnoi, the Soviet defector, solemnly sat down at a chessboard opposite an empty chair in Pasadena, California. He played 1 P-Q4, pressed the button on his chess clock, and chain-smoked for an hour until the clock flag fell. Then he *collected £5,000*.

Korchnoi's bloodless victory over Gary Kasparov of the USSR *in their semi-final* has plunged the world championship and FIDE, the International Chess Federation, into their greatest crisis. *It all began* when FIDE's President Campomanes chose Pasadena as the match site in preference to Rotterdam or Las Palmas which the Russians wanted. Campo allocated the *other semi-final* between Smyslov (USSR) and Ribli (Hungary) to Abu Dhabi of the United Arab Emirates, and explained this was a deliberate policy to spread FIDE matches round the world rather than *concentrate them* in Europe.

It was a reasonable decision, particularly since Campo was elected as President on a Third World ticket ahead of a West European incumbent. Arab countries had never staged a match, while the U.S. had not done so since Bobby Fischer in 1971. There were some precedents that players should determine match sites, but Campo could point to FIDE statutes which gave priority to chess development. [illegible] the Russians

of strength with FIDE. They claimed that Abu Dhabi was "too hot" and that security in Pasadena was "inadequate." Chess friends of Kasparov and Smyslov believed them willing and ready to play as scheduled, but they had to defer to the official line.

Soviet diplomacy went to extreme lengths for a mere chess match. When Campo visited Moscow, he was summoned to meet high sports officials as well as the top chess brass. All round the world, USSR men contacted chess and sports federations and urged them to support the Russian case at FIDE. The BCF President Peter Shaw was invited to sample Armenian cognac at the Soviet Embassy. This propaganda campaign brought only a limited response and when the matter is voted on at FIDE's next congress the Russians can expect defeat.

The question remains: why their strange behaviour? After all, if the matches were played normally, it would be highly *likely* that Kasparov would emerge as the world title candidate.

I believe there are three factors at work. One is that the Russians are staging a trial run for a campaign against Los Angeles (of which Pasadena is a suburb) as the site for the 1984 Olympics. Signs of such a campaign are already surfacing in the International Amateur Athletics Federation. Ostensibly protest grounds are *the high* crime rate and lack of security, the real one is restrictions on Soviet diplomatic access to California (which in turn relates to limitations on U.S. diplomats *outside Moscow*).

This explains why USSR sports authorities, rather than just the chess federation, are so [illegible]

Second, there is a real fear in Moscow that Kasparov, the new golden boy, could defect if exposed to Western influences *for a long period. Already at 20* he has shown signs of being his own man: he criticised Karpov for sterile play, has written two chess books jointly with U.S. and British authors, studies English, and likes pop music and motor cycling. Korchnoi's highly publicised defection in 1976 and his subsequent good results in world title matches were a great embarrassment to official chess in the USSR.

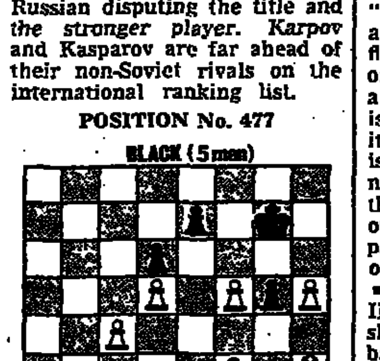
Finally, there is personal needle between the USSR Chess Federation and FIDE's Campomanes. Campo publicly rebuked the Russians when they pulled out of a Dutch event where Korchnoi played, and one of his *recent statements said* that the Soviets "would not browbeat the FIDE President as they have done some of his distinguished predecessors." Russian votes helped Campo to power but now clearly they would like to see him go.

What happens next? Some people are urging Campo to climb down and make completion of the matches the first priority. But this course already *has legal difficulties since* Korchnoi has accepted his forfeit and the Americans have said they expect it upheld. FIDE's executive at Lucerne took a hard line this week when they disqualified Smyslov on the grounds that the Russians had not answered Abu Dhabi's invitations.

The Russians have since protested violently, the Hungarians have protested more ambiguously, while Karpov will not recognise Korchnoi as challenger by default. There now seems a distinct chance of two world chess champions—one Korchnoi or Ribli as legally recognised holder, the other a Russian disputing the title and *the stronger player. Karpov* and Kasparov are far ahead of their non-Soviet rivals on the international ranking list.

POSITION No. 477

BLACK (5 men)

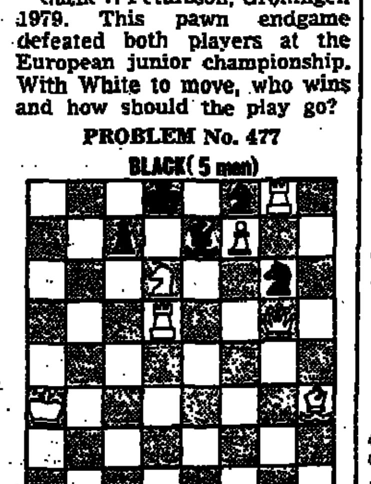


WHITE (5 men)

Gazik v. Petursson, Groningen 1979. This pawn endgame defeated both players at the European junior championship. With White to move, who wins and how should the play go?

PROBLEM No. 477

BLACK (5 men)



WHITE (7 men)

White mates in two moves against any defence (by A. Mari, Problema 1931).

Solutions Page 12

BRIDGE

E. P. C. COTTER

IN THE European Championships, recently held at Wiesbaden, the victory of the French in the Open Series was not altogether unexpected in spite of the fact that the Italian team included the redoubtable partnership of Belladonna and Garozzo. France scored 361 points, Italy were second with 309, and Norway third with 293. Twenty-four teams took part, and the British team finished an undistinguished 13th.

In the Women's Series the British team, holders of the title, started favourites, but were beaten into third place behind France and the Netherlands.

One of the outstanding hands occurred when Italy played Finland:

N
♠ Q J 9 7
♥ 5 4 3
♦ K Q 10
♣ K 8 6

W
♠ —
♥ Q J
♦ J 5 3 2
♣ J 9 7 5 4 3 2

E
♠ K 10 6 4
♥ K 10 9 8 7 2
♦ A 4
♣ Q

S
♠ A 8 5 3 2
♥ A 6
♦ 9 8 7 6
♣ A 10

East dealt at game to East-West and bid one heart, South overcalled with one spade, and went to four spades after a double raise from his partner. The same contract was reached in both rooms, and West led the heart Queen. Each declarer ducked the opening lead and won the second heart, but the play diverged at trick three. The Italian maestro played Ace of *clubs and crossed to the King*. This was ruffed by East, and the contract failed.

In the other room the Finnish declarer crossed to the club King and returned the spade Queen, *which was allowed to* win. He then ruffed dummy's last heart, and played a diamond to the King and Ace. East returned a diamond to the 10, and South led dummy's Knave of spades, which was covered by the King, and ducked in hand.

The position was most intriguing. If East leads a heart, South throws a diamond from hand, ruffs with dummy's nine of spades, returns the seven, finesses the eight, draws the last trump, and claims—a standard ruff discard.

But if East leads a trump, *declarer* draws two rounds, and West is caught in a Crisscross Squeeze. If he throws a club, the Ace is cashed, and a diamond to dummy allows South to cash the established eight; if West throws a *diamond, the King is cashed*, and declarer returns to his club Ace to make the nine. Rare, and beautiful.

This hand occurred when Britain met Germany.

N
♠ 8 5 2
♥ A J 5 3
♦ A 9 6
♣ Q 10 4

W
♠ 10 3
♥ 9
♦ K Q 7 5 4 2
♣ A 6 5 2

E
♠ 6 4
♥ Q 10 8 7
♦ J 8 3
♣ K J 9 7

S
♠ A K Q J 9 7
♥ K 6 4 2
♦ 10
♣ 8 3

With North-South game, East dealt and passed, South bid one spade, West made a weak jump overcall of three diamonds, and North's raise to four spades concluded the auction.

The British South took West's diamond King on the table and drew trumps in two rounds. He *then played a club to the 10* and Knave, and East returned a diamond. Ruffing in hand, the declarer led another club to the Queen and King, and East stolidly led back another diamond, which was ruffed. South now crossed to the heart Ace, ruffed the last club, and led a low heart, ducking in dummy. East was endplayed, and four spades was made.

Well played, you say. No, *misplayed by South, and mis*-defended. If East refuses to lead a diamond at trick five, and returns a club, South will go down, because he has not enough entries to dummy to complete the elimination. East's diamond returns did the declarer's work for him.

At trick two South should ruff a diamond, then draw trumps, and cut adrift with clubs. When he ruffs the third club, he crosses to the heart Ace, ruffs the last diamond, ducks a heart to East, and he is home.

ARTS

Stein's way

Briskly discarding any prospect of a *recherche du temps perdu*, I return to the present, even though it may mean coming in halfway through a series. In fact, the first programme I turned to this week came to an end on Sunday with the third of three extracts from Rudolph Erich Raspe's *Münchhausen*, which have been happily filling the intervals of the opera on Radio 3's Sunday afternoons. "Münchhausen" is a common enough term for a teller of improbable tales, but the tales themselves, more improbable than anything you would imagine, aren't really well known. As adapted by Donald Bancroft and read with splendidly arrogant relaxation by Michael Hordern, they are as good as anything of their kind on that channel since *Barnes's People* a couple of years ago. The final bassoon-note of the incidental music was so high, it might almost have been a Münchhausen invention.

Also on Radio 3 on Sunday was a programme by Ronald Hayman about the Schaubühne Theatre in West Berlin. *A Thespian Republic*, it was called, and it began with an account of the company's democratic ways, with weekly meetings, with decisions made by the vote not only of the director and the actors but of other theatre workers as well.

But as Mr Hayman took us among the actors it was evident that democracy has its limits. The weekly seminars on Marx and Lenin are gone, but that's nothing; it's the approach of the director, Peter Stein, that counts, not of Marx. "He thinks, 'What can I do?'" one actor said when discussing Stein's ability to realise the unwritten parts of a script. "He forces the actors a lot," Gerd Warmeling reported, having been "forced" to make a long tightrope walk in a spotlight over the audience. One actress was required to learn to play the lute; a little group to work on Gesualdo madrigals. "He is unembarrassed by the actors' suffering," John Retallack said.

Mr Hayman had begun by suggesting that the Peter Stein experience would prove that it wasn't true to say that a theatre couldn't be run on democratic principles; but it seemed to me that Mr Stein was no more democratic than Josef Stalin. Well, his methods are the concern of himself and his company; few people will deny their success in the theatre.

What would Peter Stein have made of Radio 4's Saturday Night Theatre last week? Peter Terson is a very practical writer, and *Madam Main Course* sounded as if it had been cut to measure to please some hypothetical Radio 4 audience. Unluckily, he had set his sights too low; he had stuck at somewhere about Radio 2½. Mrs Dias, the wife of a wealthy civil engineer, has ordered dinner from a caterer trading under the name of Madam Main Course, who provides not only the meal but the service. Mrs Dias wants everything perfect, for her husband is bringing a wealthy French client to dine. Then, horror!—her layabout son arrives and proposes to dine with them.

Madam Main Course, with the aid of her two assistants, Adrian, a poof, and Belle, a waitress who, after eating hours, becomes a tart in the local country club, provides a meal that satisfies her client, though Mr Dias and his French guest both prefer to drink Newcastle Brown with their steak rather than Macon. But after dinner comes the difficulty. Mr Dias has persuaded Belle to get him and his guest into the club; Adrian has taken the boy Paul to a little club called the Black Cat: and Paul has stolen a silver cruet. Of course it's all settled in the end and everyone has what he or she wants, and Mrs Dias is shown up as a horrid *nouveau riche* snob.

Perhaps I'm a horrid snob too, but the social details all seemed to be absurdly wrong. Mr Dias was an engineer on the McAlpine level; yet he had no servants, he didn't know any place to take his guest, his silver had been bought *en masse* at the local multiple store. It included this "cruet set," which Paul stole and secreted in his coat pocket, a poacher's pocket, no doubt.

The piece was decently played under Shaun MacLoughlin's direction, with Sandra Clark, Tony Robinson and Kay Adshead as the catering trio, Barbara Leigh-Hunt rather off her usual track as common Mrs Dias and Patrick Malahide as Paul. I rather liked it when the dinner party went into the splendid dining-room and the music played the theme-tune from *Brideshead Revisited*. After the closing announcement, the announcer said "I enjoyed that. And next week's Saturday Night Theatre also promises to be good, because it's about the planning of a bank raid," which struck me as a curious bit of reasoning.

RADIO
B. A. YOUNG

We have lift off

"Look," cried my neighbour: "the police are climbing up the Royal Opera House." She waved her glass, clinging with the other hand to the scaffolding on which we were nervously perched over the Piazza.

Neither a nail-biting Hitchcockian climax impudently set against a national monument, nor a Bunuelian glimpse of surreal sacrilege, this signalled the opening of the London International Festival of Theatre. The new Covent Garden precinct surged with forklift trucks, sinister hooded figures in metallic white boilersuits and a bemused but expectant public. The police, however, were genuine, their approach scattering those illegally roosting in the ROH masonry like disgruntled pigeons.

The French musicians *Urban Sax* were launching the second biennial LIFT with a free display of performance art. I must confess I saw little but flashing lights and one player's spectacular entry on a stretcher; such music as was audible was minimalist, recalling the grandady of all obsessive, slightly varied repetitiveness, Tubular Bells; but I had chosen the wrong scaffolding.

Earlier Lucy Neal, one of the organisers, had welcomed us with an air of exhausted triumph. "We've got the actors here, we've got them fed, we've got them into their theatres." Almost incredulously we were kicking off for a fortnight of theatre from Canada and Cardiff, Jamaica and Japan, spread over London from Clapham Junction to fabled Neasden and embracing more orthodox locales (the Hammersmith Lyric and Riverside, Bloomsbury, the Almeida).

Neal and her colleague Rose de Wend Fenton have scoured several continents for new talent, even being sheepishly approached for tips by such notorious theatrical innocents as the Edinburgh Festival. The resultant 98 indoor shows and 127 outdoor events mark a triumph as much of logistics as art. Hefty travel costs have been eased by British, French, Canadian, Dutch and Indian governmental sources: Sierra Leone Airlines donated 20 air fares, British Airways five returns from Tokyo. Altogether grants, guarantees and gifts cover nearly 70 per cent of the projected cost of the Festival, the rest—touch wood—provided by box office returns and sales.

So far what should have been the biggest splash, specially commissioned for the festival, turned out to be a damp squib with Welfare State International's *Raising the Titanic*. "The best part's the fireworks at the end," growled the grim Scots security guard who conducted me across the Limehouse dock, but I fled at the interval, convinced that I'd been time-warped into the self-indulgent Sixties. For the first act we milled around, if lucky catching one of the diffuse and randomly sited sketches in the now familiar clumpingly obvious comic-strip style. The suspicion that street theatre is a convenient get-out for the technically sloppy was confirmed when, seated, an hour later, we were plunged into the noisy, the unintelligible and the ham-fisted in the first of the *Titanic* sketches.

The evening raised questions about a popular theatre that fails even to get its words across; that seems unsure of its intended audience (if children, then eschew the lumpen satire); and that tries to have it all ways.

The last act may have provided spectacle, coherence and the relevance to local problems mentioned in the programme notes, but as the finale promised a mass dance for the audience among the food stalls with, presumably, more street theatre lacking the requisite pace, punch and projection, I seized a passing London Transport lifebuoy and left the mammoth miscalculation to gurgle its last in the Regent's Canal Dock.

Elsewhere the Sixties legacy of warm-hearted muddle-cum-message has given way to formidable technical accomplishment sometimes weighing down exiguous content. The string of inconsequential vignettes, variations and arabesques on the theme of weddings comprising Cardiff Laboratory's first London offering, *The Wedding*, may be no more that a revue, but the company's energy and dedication to sheer fun prove more memorable than much ostensibly "serious" fringe theatre. Singers, comics, actors and polyinstrumentalists, they comment zanily on the etiquette, language and customs of the marriage ceremony, a thread of continuity being the gradual recounting by a sad, spinsterish wedding photographer of her brutal jilting.

My favourites among her presumed fantasies include the TV quiz–game with the bride as prize while presenter and contestant breezily swap prayer-book phraseology; a Chopin waltz where brides, lifted by grooms buried under their full skirts, apparently dance dreamily on grey-trousered stilts; and the forbidden degrees of propinquity ("a man may not marry his mum") ingeniously sung as a Purcellian catch.

The men are more striking than the women, possibly because they look madder. This photographer's studio where the sad and the sinister hover over the wheezy harmonium, potted plant and old-fashioned gramophone, can be visited at the ICA next Friday to Sunday. The feminist orientated *Heart of the Mirror* whose characters include St Joan, Mary Magdalen and Freud is on from Tuesday to Thursday.

Technique is the essence of *The Way of How* (Bloomsbury, tonight and Monday to Wednesday), the brainchild of Californian George-Coates. The traditional verbal emphasis of the English theatre is irrelevant to "performance art," and this patchwork of light, music, comedy and mime leaves an impression of primarily visual beauty: projections of honeycombed textures and chequered patterns, what might be adjacent wheel rims or the meeting of the edges of lights in a rose-window.

A world rather than a mere hemisphere away is Naya Theatre's *Bahadur Kalarin* (Lyric, Hammersmith). This Oedipal tale of the young man who takes 126 brides before confessing to an exclusive attraction to his mother has a surprisingly lighter side to judge from the laughter that greeted much of the Hindi dialogue. Based on improvisations by tribal folk actors from Madhya Pradesh, Habib Tanvir's production includes such Brechtian touches as characters commenting, chorus-like, on the action with the three permanently on-stage musicians, and an economic sub-plot (the brides' dowries make their husband the richest land-owner in the village). Buoyant dances punctuate the action; and when not looking glum the actor Chait has an impetuous, romantic presence, almost too fiery for this hero rather crucially manqué.

Next week sees arrivals from Japan and Holland. The Canadian Marmaille company involve audiences in Eskimo life at Jackson's Lane on Tuesday and Wednesday; the Parma Collettivo continue their successful bardic way (note the Shakespeare symposium at the Drill Hall next Saturday afternoon); Sierra Leone's Tabule Theatre moves from Battersea to Bloomsbury, and the Jamaican women's company Sistren remains at the Drill Hall where you can see nightly cabaret after the show (*inter alia* Pookiesnackenburger, poets McGough and Patten). For the innumerable free outdoor events, heaven sent for holiday-maddened children, ring LIFT information line on 01-637 9521.

Paolo Bocelli and Tania Rochetta of La Compagnia del Collettivo di Parma in "Macbeth"

Martin Hoyle reports on the London International Festival of Theatre

American dreams

Heaven's Gate, newly available from Warner Home Video, deserves to be dubbed the Incredible Expanding Videotape. Michael Cimino's notorious epic was originally due, after it had floundered at the box office, to be whittled down for video to a 90-minute action digest called *The Johnson County War*. Later, more encouragingly, we heard that Warner Home Video were to release the 2½-hour version seen in most cinemas. Finally, Warners have put their scissors away altogether and the whole hulking and resplendent 3½ hours, the original version that Cimino withdrew from cinemas after a critically savaged New York premiere, is on offer in video form.

Heaven's Gate is one of the great American films. Its triptych account of the American Dream — idealistic Harvard, watershed Wyoming torn by land and class wars, a Gatsby-like coda of wealthy disillusionment aboard a yacht—is brilliantly complex. And Cimino is the first Western director ever to re-design the whole frontier landscape, turning it from the clapboard and sagebrush of Hollywood stereotype to a seething, dusty, eclectic mini-America of multi-storey buildings, clashing languages and nation-moulding hopes that span rich and poor, settler and land baron.

Valuable as this video version is for study and reference, however, it is *not* the way to see the film the first time. Size, colour and multiphonic sound are part of the movie's design and impact. (And in addition to a halved screen-width, my video copy has a long sequence in which the colour gives out completely and turns to monochrome). Acquire the cassette version as an aide-memoire: but first see the film in its full wall-to-wall glory at the National Film Theatre, where it runs from today for eight performances.

About the video version of Cimino's earlier film *The Deer Hunter* (EMI) there are fewer reservations. This too is diminished in size and definition, but far less damagingly than *Heaven's Gate*. The EMI colour reproduction is good and the "scanning" (which chooses which section of the wide screen to frame at any given time) is judicious. Only in the final sequence, where the Vietnam veterans and their friends and wives assemble round a table and sing "God Bless America", do the scanners appear to have left for a tea break. For the main character (Robert De Niro) stays unseen off the right-hand side of the frame for the entire length of the main shot.

Repeated video viewings of this film also help to de-sensationalise the Russian Roulette scenes, dwelled on with obsessive distaste by antagonistic critics, and to show that once again Cimino is using violence and life-or-death confrontation as the tragic acid-test of friendship and idealism. It's part of a much larger thematic design of loyalty, comradeship and the mighty interdependent pluralism of the American dream.

Cimino's earlier, and first, feature film *Thunderbolt and Lightfoot* completes a straight flush of all his movies now available on video. The cassette version (Warners) has a fearful struggle with the wide screen, losing a head here, a whole character there. But this tale of a criminal odd couple (Clint Eastwood and Jeff Bridges) out to rob a bank vault and stumbling slowly into tragedy shows in fascinating miniature what were later to become the director's fully grown concerns. Friendship; the strong helping the weak; the spirit of community that crosses language and culture barriers; the dream of American one-ness. (In a superb little emblematic scene, a consignment of loot is found behind the blackboard in a historic 18th century "one-room schoolhouse" preserved as a museum.)

Michael Cimino, rendered top industry outlaw by Hollywood after *Heaven's Gate*, is probably the most appalling case of an inactive movie-maker since the wilderness days of Erich von Stroheim. These video versions of his work, imperfect as they are, may at least familiarise cinema-shy viewers with an extraordinary film-making talent who deserves, at the fastest possible opportunity, to come storming back.

VIDEO
NIGEL ANDREWS

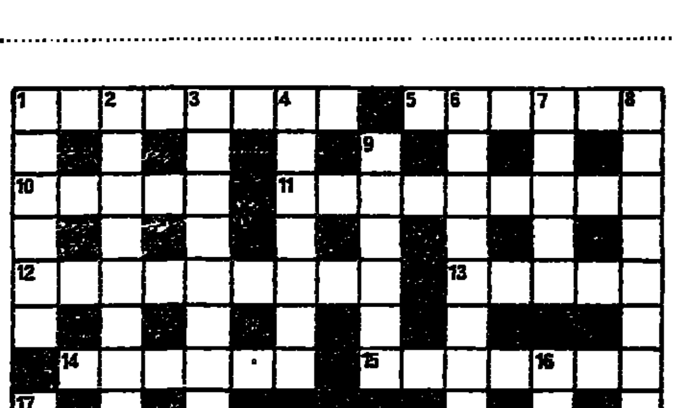
F.T. CROSSWORD PUZZLE No. 5,190

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



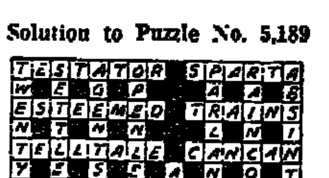
ACROSS

1 I'd feel bitter about living in a place (8)
5 One facet of an outlook (6)
10 Play doctor and nurse endlessly (5)
11 A source of annoyance I left in plant (9)
12 Love a party allowance (9)
13 Type of gear for a lazy person (5)
14 Silver located in a marshy area, but it's an illusion (6)
15 Issue on diet I concocted (7)
18 Space the French keep clean and tidy (7)
20 Will's content with what is handed down (6)
22 Government ones may be white or green, but this one's pink (5)
24 Rector going to fish—a geometric figure (9)
25 Our man in a mess could be 1 Across in a Balkan state (9)
26 Psyche I turn to, being a fool (5)
27 Propel a boat and get one's feet wet (6)
28 Friend to contend against in a sport and end the game (8)

DOWN

1 Soldiers telephone for a tyre (6)
2 A quarter in Greek capital producing herbs and spices
3 Lifeless as Marley was (4, 2, 1, 8)
4 A journey after dusk we hear in a compound (7)
6 Definite seriousness should show how comparatively dense a subject may be (8, 7)
7 Former collection of people turned up to praise (5)
8 Learnt to become permissive (8)
9 Hoop set in iron border (6)
16 Female in disguise in coating that's unusual (9)
17 Applaud part coming up, but it's rubbish (8)
19 Spoil metal bird (6)
20 The French copper nail I left including gaps (7)
21 Come down on a seat (6)
23 Thump a lightweight? (5)

Solution to Puzzle No. 5,189



BBC 1

† Indicates programme in black and wite

6.25 am Open University. †8.55 Leon Errol in "Punchy Pancho."
9.15 The Get Set Picture Show.
10.52 Weather.
10.55 Grandstand, including 1.05 pm News Summary: World Athletics Championships: (11.00, 1.30, 2.10, 2.40); Cricket: Third Test: (11.00, 1.40, 2.10, 2.40) England v New Zealand from Lord's—Third Day; Water Ski-ing: (1.10); Boxing Preview: Report on tonight's Welterweight Championship of the World from Las Vegas (1.30); Racing from Newbury at 1.50 and 2.20; 6.00 Final Score.
6.15 News.
6.25 London and Scotland — Sport: South-West (Plymouth)—Spotlight Sport; Other English regions — Regional News/Sport; Wales — Sports News Wales: Northern Ireland —Northern Ireland News and Sport.
6.30 Blake's Seven.
7.20 The Saturday Film: "The 3,000 Mile Chase," starring Glenn Ford and Blair Brown.
8.55 The Main Attraction.
9.40 News and Sport.
9.55 Kelly Monteith.
10.25 Boxing and Athletics.
11.55 The Rockford Files.

BBC 2

6.25 am Open University
†3.35 pm Saturday Cinema: "Bang! You're Dead." starring Jack Warner and Derek Farr.
5.00 Cricket: Third Test — England v New Zealand from Lord's.
6.20 Great Gardens.
6.30 Barry Norman in Celebrity City.
7.20 News and Sport.
7.40 Jorge Bolet plays Rachmaninov Piano Concerto No. 3 with the BBC Scottish Symphony Orchestra.
8.30 The 20th Century Remembered.
9.00 Execution.
9.45 Cricket: Third Test (highlights).
†10.15 Horror Double Bill: (1) "Son of Dracula," starring Lon Chaney Jr.
11.35 News on 2.
†11.40-12.55 am Horror Double Bill: (2) "House of Frankenstein," starring Boris Karloff and Lon Chaney Jr.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information.
9.30 Sesame Street. 10.30 No. 73.
12.15 am World of Sport: 12.20 Athletics Championships from Helsinki: 12.45 Speedway — The Intercontinental Final of the World Individual Championship from White City, London followed by Australian Pools Check: 1.15 News; 1.20 Yachting — The Admiral's Cup: 1.40 Racing from Ripon; 1.55 Speedway; 2.10 Racing from Ripon; 2.25 Speedway from Denmark: 2.40 Racing from Ripon: 2.55 Athletics Championships from Helsinki.
5.25 News.
5.30 Athletics — The World Championships.
6.10 Results.
6.30 Chips.
7.30 Ultra Quiz
8.15 Saturday Royal.
9.15 News.
9.30 Adult Movie: "The Last Married Couple in America," starring George Segal and Natalie Wood.
11.20 London News Headlines, followed by The Tube.
12.25 am Night Thoughts with the Rev Dr Kenneth Greet.

CHANNEL 4

†2.45 pm Rascal Dazzle
4.20 A Trip Down Memory Lane.
4.35 Well Being.
5.05 Brookside
6.00 Hot For Dogs
6.30 News Headlines followed by A Working Faith.
7.05 Take the Stage.
7.35 Da Doo Ron Ron.
9.00 The Charterhouse of Parma.
10.05 Heart of the Matter.
†11.15 "Arsenic and Old Lace," starring Cary Grant with Raymond Massey.

S4C—WALES

[illegible]

REGIONS

All IBA Regions as London except at the following times.

ANGLIA

9.35 am God's Story. 9.50 European Folk Tales. 10.05 Metal Mickey. 6.30 pm The Fall Guy. 12.25 am At the End of the Day.

BORDER

9.30 am Cartoon Time. 9.40 Fangface. 10.05 Metal Mickey. 6.30 pm The Fall Guy. 11.25 Lou Grant.

CENTRAL

9.25 am God's Story. 9.40 The Wonderful World of Professor Kitzel. 9.45 Larry the Lamb in Toytown. 10.00 [illegible]

CHANNEL · GRAMPIAN · GRANADA · HTV · SCOTTISH · TSW · TVS · TYNE TEES · ULSTER · YORKSHIRE

[illegible]

SOLUTION AND WINNERS OF PUZZLE No. 5,183

Mrs J. Taylor, 20 Alnwood, Alnmouth, Northumberland, NE66 3NN.

Mrs S. L. Steer, 8 Elm Court, Newlands Crescent, East Grinstead, RH19 1LW, West Sussex.

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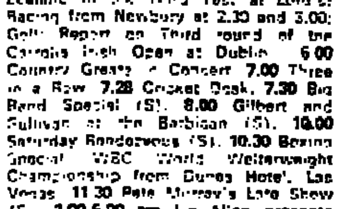


RADIO 3 (cont.)

... quests (S). 5.45 India: A Cacophony of Cultures. 6.30 Peter Hurford plays the organ of Sydney Opera House: Bach, Mendelssohn, Franck, Karg-Elert (S). 7.10 The Scum of the Earth: Story of the Peninsular War (1808-14) (S). 7.30 Proms from the Royal Albert Hall, part 1: Schubert (S). 8.00 A Closer Look [illegible]

RADIO 4 · BBC RADIO LONDON · LONDON BROADCASTING · CAPITAL RADIO

[illegible]

CHESS SOLUTIONS

Solution to Position No. 477

White win by 1 K-N3, P-N5; 2 K-B2! If now K-R3; 3 P-B5, PxP; 4 P-B8, PxP; 5 P-Q8, or if K-B3; 3 P-R6, K-B2; 4 P-B5, PxP; 5 P-R7, K-N2; 6 P-B6 ch. In the game White lost by 1 P-B6 ch? KxP; 2 P-B5, PxP; 3 P-R6, K-N3! and resigned due to 4 PxP, K-B2; 5 P-Q6, P-B5 when Black queens.

Solution to Problem No. 477

1 R-Q3, RxQ; 2 N-B8; or if PxP; 2 Q-QR8 [illegible]

Cooling off with the last of the summer wine

BY EDMUND PENNING-ROWSELL

A CERTAIN MYTH exists that during the summer one drinks different wines than in the rest of the year. This proposition seems of limited validity, linked as it is to the suggestion of cheaper, lighter wines. It would be *difficult* to imagine the Burgundians deserting their Côte d'Or reds, though they might start the meal with a beaujolais, yet they could do that at any time of the year, and are much more likely to begin with a 13 degree Mersault or Puligny. Nor are the Rhône Valley locals inclined to drink red bordeaux in place of Châteauneuf.

Obviously, however, when the weather is warm, a chilled light dry white wine is more refreshing than a heavyish one, whether white or red. This applies more to aperitifs than to wines drunk with meals, but unless one drinks German wines, especially the Trocken or Halb-Trocken now fashionable in Germany, it should not be thought that one can necessarily absorb much more alcohol from such white wines without subsequent ill-effect.

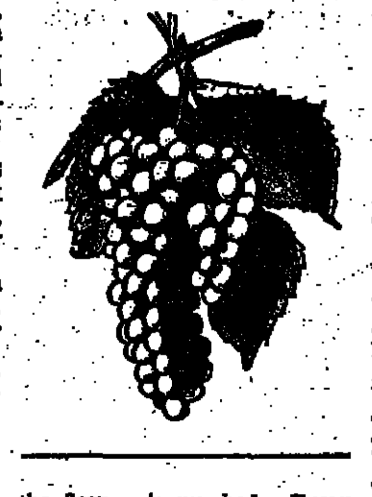
Of course the best of all aperitifs, winter or summer, is champagne. The risk in summer is to serve it too cold, which sharply cuts down the flavour as well as the aroma; 48 to 51 degrees F (7 to 8 C) is about right, and the bottle should not be left for more than an hour in a moderately cold refrigerator or 10 minutes or so in an ice-bucket, a wine receptable that every household should possess; and not, of course, only for champagne. When in use it should contain plenty of water as well as ice.

In Champagne they always say that non-vintage should be drunk an aperitif and vintage reserved for meals. Certainly there is usually more body in the latter; it is also, of course, more expensive, and as an aperitif I would plump for non-vintage. Carefully served and in relation to quality, champagne need not be as costly as it seems in the merchant's list or the shop, for at eight glasses to the bottle it may work out either side of £1 a glass, depending on the particular brand.

The obvious alternative in quality is sparkling Saumur, about half the price of champagne. Being made from the Loire grape, the Chenin, it is fuller-bodied but lacks the elegance of good champagne; however, the superior version, Crémant de Loire, which is more lightly pressed, and with a lower permitted yield of grapes, is crisper and finer. Only about 50p dearer than the ordinary Sparkling Saumur, it *is produced by all* the leading houses, such as Bouvet Ladubet and Gratien and Meyer. These Crémant wines—they have less sparkle than the normal *méthode champenoise* ones — are also produced in Alsace and Burgundy.

The lesser sparklers are very *suitable for Buck's Fizz*, and I would not recommend spending a bottle of Bollinger, the original champagne component, on it. The orange juice must be fresh, just as in making a vin blanc cassis, the blackcurrent must be a liqueur. For this aperitif, certainly to be recommended for the summer, it is important not to put too much blackcurrent into the mixture: one level tablespoon per large glass seems about right.

There is no more suitable aperitif for summer drinking than fino sherry served well on the cold side but not so that



the flavour is numbed. Every sherry house has one: for example, La Ina of Domecq, San Patricio of Harvey, Tio Pepe of Gonzalez Byass, Apitiv of Sandeman, Inocente of Valdespino; and every reputable wine merchant has a dry, natural unsweetened fino of his own. The fino matured near the sea at Sanchuar de Barrameda is the slightly salty, deliciously crisp Manzanilla, one of the best coming from Barbadillao. Sherry tires very rapidly in bottle, which is why in the Xeres bars it is usually served in half-bottles. One reason why some people are less than keen on really dry sherry is that once opened it loses its special flowery aroma and flavour and becomes oxidised, flat and bitter. Accordingly, unless the bottle *is to be finished within* a day or so, a clean half-bottle should be filled immediately on first opening, and corked down hard (tapered corks are best when obtainable). Then the rest of the bottle should be finished first.

The problem with fine German wines is when to drink them, for there is little tradition in Britain to drink them either as a dessert wine, for which not all are luscious enough, or completely apart from meals as many are consumed in Germany. They do, however, make the most delicious aperitifs. They need to be at least Kabinett wines, with sufficient acidity to give a certain freshness, but given a good balance of fruit acidity, may be even more delicious if of Spätlese and Auslese quality. Especially chosen are the estate-bottled Mosels, particularly the crisp Saars and Ruwers. The *classic vintage to go for is 1976*, but 1979 and 1981 can be very agreeable, while a fine 1971 can top the bill.

As to drinking with meals, especially to accompany outdoor *lunches and picnics, for those* wishing to concentrate on light wines, the Loires certainly have a particular attraction, with Sancerre and the adjacent Pouilly Fumé well to the fore. *Although the 1982s are still on* the young, green side for my taste, they are probably preferable to the 1981s that tended to be rather austere, even somewhat sharp. If it is dryness you are looking for, then choose *Pouilly Fumé, and Sancerre if* a slightly rounder, more "generous" flavour is sought. A rather fuller-bodied Loire is Savennieres, further downstream or a dry Vouvray, though my taste there is for *something* with more *natural* sweetness. All these wines cost less than £5, estate-bottled. Obviously Muscadet is the least expensive Loire white, although it can be somewhat anonymous, but bottled and sold on its lees, *"sur lie,"* from a good estate it can be a very acceptable picnic or first wine at a summer meal.

The other admirable French white wines for summer meals are the Alsaces. Gerwurztraminer is the most suitable if not the only wine satisfactorily to accompany smoked salmon, but the best Alsaces are the Rieslings and 1981 was the best year since the remarkable 1976, while 1979 has the advantage of more bottle age.

Among Italian whites Soave is the great seller, a good Pinot Grigio, particuarly one from Friuli, is likely to have more character and a Verdicchio too. Then, much as I like red Riojas —and they are excellent, *moderately priced wines for all* occasions—I find most of the whites far less interesting.

One good reason for drinking claret in summer is that, at least at home, it is easier then to serve it at a temperature which best brings out its qualities: between 65 and 70 degrees. Over that it is likely to taste acid, and it is not really a wine for al fresco meals, as its delicate aroma can be lost. For relatively informal drinking St Emilions and Pomerols are likely to show best, and the appropriate vintages will be '79, '75, '76 and 75 for the lesser growths, but for more serious wine occasions when classed growths from the four main Bordeaux are to be served, there are attractive '80s for immediate drinking, with '76, '71 and '70 to follow.

Finally, for desert wines, for value for money in relation to *quality there is nothing to beat* sauternes, with '76 and '75 as the likely vintages, but if price is a major consideration, then the adjoining Ste-Croix du Mont, Loupiac or Cérons are delicious. So too is the underrated *Monbazillac*

Oh, those dandelion days!

DOES ANYBODY remember Oxade? I ask the question only because I've just looked at a fading photograph from the 1930s which shows me sitting on the wooden gate of my parents' semi in Bradford drinking from a bottle. It was a long hot summer like this one.

The mixture in the bottle was Oxade, produced then by the Oxo people. It was a fruity Oxo cube—lemon, orange or raspberry flavour—which you put into cold water. It fizzed and produced what seemed like nectar to those of us nurtured on school milk.

Oxade is dead and gone, but I have noticed this year an attempt to return to the old and beautiful flavours of summer *pop after years of nothing but* Coke and ersatz lemonade.

Let me recall another memory of Bradford in the 1930s. There was a herb shop only a stone's throw from the school where J. B. Priestley's father introduced school dinners. The shop dispensed all kinds of health-giving things to the public, some of which were even said to relieve single ladies who found themselves in an embarrassing situation.

This was not our business. Our involvement with the herb shop was the home-made dandelion and burdock, a lovely cold summer drink which refreshed the parts other drinks could not reach and also had the exotic side-effect of turning your lips yellow.

This summer I have rediscovered dandelion and burdock now produced in cans by the noble company of R. White, whose ginger beer is pretty good, too. It cannot be as genuine as the Bradford version, however, because after six cans my lips are their normal shade of reddish-blue.

It seems to me that pop is getting better all the time. I have recently created a Moscow Special which involves vodka and White's ginger beer plus other health-giving things. It makes gardening a pleasure and lying down on a Lilo better still.

What about water-melon soda? It has that wonderful 1930s teeth-rotting sweetness which produced fast bowlers and textile tycoons. Cherry cider is back — and delectable mixtures of pineapple and grape-fruit juice which go well with a certain amount of gin.

This is really a lazy man's guide to the drinks of summer. I find it easier to buy a can of strawberry cream soda than to crush a punnet of fresh strawberries in a food mixture. The gin I have got already.

So I can lie in my garden sipping gin and water-melon or Carib and vodka with a crafty sip of dandelion and burdock occasionally. The Perrier water's there too, but only to remind me of the SDP-Liberal Alliance. Rose's lime juice is on the table, but used only to produce Jekyll and Hyde concoctions when I get bored by Dr Pepper's strange brew.

Is this second childhood? I do not know, but I must admit I wish I could get my lips yellow like the year of Munich zero fillings, and my first gas mask.

Alan Forrest

On the track of motor mementoes

I USED to watch motor racing back in the days when the Goodwood circuit was active, seeing superstar Stirling Moss crash his Lotus 18/21 at the difficult St Mary Ess-bend on Easter Monday 1962.

Moss recovered. Many of the big names of those championship days did not—Jim Clark, Jochen Rindt, Graham Hill, Mike Hawthorn—although not all died on the track.

So it is understandable that the category of motor racing in the relatively new field of "automobilia" (which is everything from early car sales brochures to mascots and badges), should have recently gained momentum.

Photographer and documentary film maker James Barron originally sparked off a great deal of interest in the history of motoring generally by the exhibition of his collection "Automobile Art" at the *Bethnal Green Museum in 1974*.

Now with the success of the current selling exhibition "Art of Motoring" at London's Langton Gallery, memorabilia of motor racing past and present (hub-caps, wing-mirrors and dashboard clocks), looks like being one of the hottest prospects for collectors wanting something a bit different. (A free handlist of the exhibits for a stamped addressed envelope from Charlotte Gere, Langton Gallery, 3 Langton Street, SW10.)

W. Heath Robinson's original drawings from his 1936 book *How to be a Motorist* are £125 each, and prints and posters are from £5. Particularly evocative is a Roy Nockolds' print of S. C. H. "Sammy" Davis in the works Bentley after the crash at White House corner, when he carried on to win Le Mans in 1927. (Davis *was also sports* editor of *The Autocar*, and recorded that "on the road in front was a scatter of earth, a piece or so of splintered wood . . . and an appalling tangle of smashed cars . . .")

Most of the exhibits come from Eoin Young, motoring journalist cum-dealer in motor mementos with a definite slant towards the track. He came to Britain in 1961 as personal assistant to fellow New Zealander Bruce McClaren, driver who also built racing cars, and who was killed in a testing accident at Goodwood in 1970. Young is also the author of a biography of McLaren and James Hunt, and still writes a weekly column "From the Grid" in *Autocar* magazine.

Because he deals exclusively in mail order, only items to a standard that merit inclusion in his own personal collection are handled. The catalogues (some four a year), of motoring books and memorabilia, are mini-reference works in themselves and cost £12 a year or $26 overseas air mail from Eoin Young, Motormedia, *PO Box 3*, East Horsley, Surrey.

Current rarities are W. F. Bradley's *Motor Racing Memories 1903-1921*, £35: "I had been waiting over two years to find a copy of this autobiography by this pioneer of the motoring scene, who covered the Paris-Madrid on a bicycle," *comments Young; and Harvey* Shapiro's *Faster than Sound*, £11, has good background material on Americans who have gone chasing the land speed record up to and through the sound barrier.

COLLECTING

JUNE FIELD

> A new word in the collecting world is "automobilia." It covers everything from early car sales brochures, mascots and badges, hubcaps, wing mirrors and dashboard clocks to racing memories of "an appalling tangle of smashed cars"

Then there are such elegant trifles as the Hispano Suiza "Golden Book" 1924, with the company's mascot of a flying stork (originally the squadron emblem of French World War I fighter ace Georges Guynemers embossed on the cover, £475; and *Rapiditas* 1907, produced in limited numbers for the wealthy Sicilian enthusiast Vincenzo Florio to chronicle the happenings in the Targa Florio, a series of races in the tortuous roads of the Macedonian Mountains of Sicily. It includes a fold-out lap and time-chart. There were nine volumes in all, and you need £565 for this one alone, number 2.

Brooklands programmes are from £35, although the very first programmes sold for the opening meeting of the world's first concrete motor speedway in 1907, sold at £200 last year. Some items from the collection of MG and Bentley racer E.R. Hall, include his 120 mph Brooklands car badge, awarded on *October 4, 1930, £600*. (When a member lapped the track at 120 mph the award was a special bar which was added to the top of the member's badge between the wings).

If you want to buy an actual vehicle, there is a Salmson sports racing special c1928 in Sotheby's sale of the late Russell Winn's collection at Kilbrittain Castle, Co. Cork on *Monday, September 5*. (Emile Salmson started his company in France making liquid-cooled aero engines, and turned to cars after the slump in the aviation business after World War I). Sotheby's John Baddely is expecting members of various Irish vintage and veteran car clubs to bid at this first major automobilia sale to be held in Ireland.

And if promotion of motoring overall from 1920 to now appeals, do not miss the fascinating "That's Shell—that is!", an exhibition of Shell advertising art at the Barbican Art Gallery in the Barbican Centre, EC2 until September 5. As the excellent catalogue, edited by Ted Shepherd and John Hoole comments: "Who but Shell would use artists like Rex Whistler to accompany an *injunction to change your oil?*"

Informative books for the collective include D.C. Tubbs' *Art and the Automobile* (Lutterworth Press 1978, £6.95), featuring the work of motoring artist Frederick Gordon Crosby (1885-1942), who covered week-end events so evocatively in *The Autocar*, and the elegant posters of René Vincent (1879-1936): *Automobilia—A Guided Tour* Michael Worthington-Williams's *For Collectors* (Batsford/RAC 1979, £12.50) which illustrates everything from road signs to radiator caps, and *The Price Guide and Identification of Automobilia* by Gordon Gardiner and Alistair Morris (*Antique Collectors' Club*, £19.50 from John Steele, 5 Church Street, Woodbridge, Suffolk).

For background information on the men and their cars there is Doug Nye's *Great Racing Drivers* (Hamlyn 1977), while for me one of the most atmospheric books is *My Greatest Race* edited by Adrian Ball for the Jim Clark Foundation 1974 as a memorial to the Scots driver who was killed in a race at Hockenheim, West Germany, in 1968.

Australia II with its "secret keel" partly visible; and Alan Bond.

Scourge of the yachties

Michael Thompson-Noel *reports on Australia's* Mr Bond and his challenge for the America's Cup on Rhode Island.

BROAD and beefy and built like a pocket battleship, he is the very model of an Australian *millionaire*.

Yet Alan Bond the America's Cup challenger whose 12-metre yacht, Australia II is at present ripping through the opposition off Newport, Rhode Island, originally landed in Fremantle as a *teenage English immigrant*.

These days, there is not a trace of Englishness left. In the view of his countrymen, he is battling, piratical, pugnacious, successful, and never afraid of mixing it.

In Newport he jogs with his crewmen through early morning roadwork, and grunts in the gym. He wears what they do: green shorts and gold tops, with Australia II emblazoned on the breast.

And he tunes in precisely to the Australian wavelength. At a breakfast in Newport recently he apparently delighted the Australians (and silenced the Poms) after noticing Peter de *Savary head of the doomed Bri*tish syndicate, making an exit after barely tasting his champagne.

"Hey," cried Bond. "You know what we call a bloke like you in Australia? A wombat eats roots and leaves."

Current attempts by the New York Yacht Club to have Australia II's revolutionary new keel declared illegal, or have the Australian boat penalised, *have angered Australians*.

In the view of the Sydney Sun: "Not for the first time New York yachties are using every possible home-ground advantage and legal stratagem to hang on to the America's Cup," adding that "Mr Bond may be more *self-appointed* than elected as our flag carrier, but a lot of Australian prestige in the world rides with him. If he wins, we win."

However, Mr Bond is more than used to the below-the-line parrying of the America's Cup. This is his fourth challenge since 1974, and is costing A$4m (£2.4m).

He believes he can win. He says that in the tight pre-start circling manoeuvres, Australia's so-far-shrouded swept-wing keel enables her to spin like a top. She tacks quickly and goes well in light air and heavy. "We're stiff. We don't hobby-horse the way some boats do."

In an interview with an Australian newspaper that may have been designed to put fresh wind up the Americans, Mr Bond speculated that Australia II would be 30 to 40 seconds ahead of the American defender at the first mark and that she might be capable of winning her challenger round races by up to 95 seconds.

"If this boat is right," said Mr Bond, "it's substantially right. It's not just a little bit right, it's a long way ahead. We're either going to be well out and win quite comfortably or else we're not going to win at all."

Main source of his wealth is Bond Corporation Holdings, of *Perth, whose net worth is in* excess of A$200m. Bond Corp's main interests include Western Australia's Swan Brewery, from which Mr Bond hopes to pump a vast amount of beer into south-east Asia: 47 per cent of Waltons Bond, the property and retailing group and 39 per cent of Endeavour Resources.

This week, Bond Corp said it was paying Endeavour more than A$70m for direct control of its 5 per cent stake in Western Australia's huge Argyle diamond project, the world's biggest, plus the Rhondda coal mine in Queensland.

Mr Bond doesn't always win. As illustrated by Bond Corp's recent capitulation in the messy and protracted struggle for Sydney-based retailer Grace Brothers Holding (Bond had offered A$260m).

In addition to fast yachts Mr Bond likes racehorses (a company of which he is chairman paid A$280,000 for a Bletchingly colt at the Sydney Easter sales) and French Impressionists (Renoirs, Monets, Sisleys).

He was a teenage apprentice signwriter who made his first million dealing in land in Perths outer suburbs.

He has little left to prove. But he wants that cup.

Trumpets and tennis . . . **John Barrett** reports

Millionaires back to work

AS INTERNATIONAL tennis evolves—with higher rewards for the stars, rising mid-level standards and a proliferation of special events that are closer to show biz than sport—the tournaments between the major championships are increasingly bereft of the top players.

In mid-January the Volvo Masters *brings the season to* life with the 12 leading men getting back to action following the Christmas/New Year break. Between that peak and the end of March players in the top ten will compete selectively at the indoor tournaments in America and Europe to start collecting points towards the following year's Masters and to protect their ATP world ranking.

The Monte Carlo Tournament at Easter traditionally heralds the start of the outdoor tournaments at which again, the top players will challenge selectively on surfaces that suit them best. The German and Italian Opens on clay are the warm-up tournaments for the French Open at the end of May where everyone of note challenges and the Queens Club Tournament in London fulfils the same function on grass for Wimbledon.

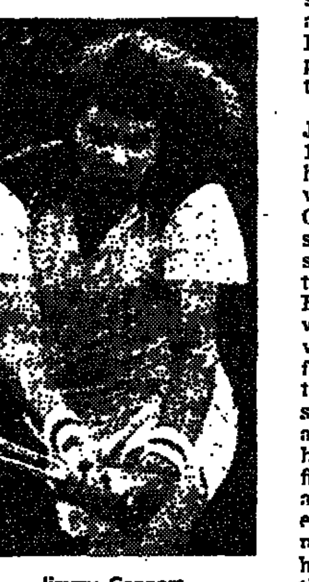
The next full strength field is the U.S. Open, played in New York on asphalt during the first two weeks of September. In between, the emerging players can enjoy a moment in the sun at smaller tournaments in Europe and America while the top men unwind from the pressures at Wimbledon with a welcome break which may include some lucrative special events.

This week in Montreal John *McEnroe, Jimmy Connors* and Ivan Lendl have returned to serious competition at the Canadian Open after working mainly of late on their bank balances. McEnroe took a well-earned break after regaining the Wimbledon title so impressively and then embarked on another segment of his "John McEnroe Over America" tour which takes him on one-night stands to some 20 cities during *the year*.

This glittering entertainment, presented by rock music promoter Steve Corey, is unashamedly gimmicky. The trumpets blare to introduce the players who trot onto a darkened stage in the glare of a single spotlight and are the opening moments of a spectacular evening of tennis which seems to please the thousands of fans.

Such is McEnroe's anti-hero image—a sort of sporting James Dean — that Corey believes that at events like these, *plus John's commercial* product endorsements, it will not be long before he is making $1m per week. McEnroe himself is upset by the attitudes of some members of the tennis fraternity to this logical exploitation of his image. "It's OK if someone makes $20m in business; he's a wizard or something. But it's not OK if he makes it in sports. I'm just playing tennis. Every match is another day at the office . . . and I didn't put the money there."

John McEnroe



Jimmy Connors

After a frustrating start to the year Lendl has sensibly taken a month's lay off. He returned at an exhibition in Newport Beach, California last week where he lost in the semi final to Tim Mayotte. The Wimbledon quarter finalist had previously accounted for *French Open champion* Yannick Noah—who was returning to the courts after a short suspension which caused him to be absent from the French Davies cup team who struggled to beat Paraguay 3—2 in Marseilles in July.

The winner at Newport Beach was Connors who had eliminated Sweden's Mats Wilander before beating Mayotte for the first prize of $100,000.

After his fourth-round Wimbledon upset at the hands of Kevin Curren, Connors knows that he must retain his U.S. Open title to stay among the world's top three. When the *year began he had slipped to* two behind McEnroe. Now Lendl has also passed him. For *so many reasons* then the results this week in Montreal on a surface similar to New York's Flushing Meadow will have *important psychological implications* for all three.

In their absence young Jimmy Arias who does not turn 19 until the 19th of this month has claimed the headlines along with Argentina's Jose Luis Clerc. The latter, whose early season form was disastrous, suddenly came back to life at the U.S. Pro Championships in Boston as he had done in 1981 when he began a 27-match-winning streak that embraced four prominent titles. A victory over Arias this year started a three-tournament run at Boston, Washington (where he again beat Arias in the final) and North Conway before an injury forced him to retire early in the U.S. Clay Championships in Indianapolis. In his absence Arias claimed that title from Ecuador's Andres Gomez who had beaten him in the semi final in North Conway.

Both Martina Navratilova and Chris Evert Lloyd have taken a lengthy break following Wimbledon. Mrs Lloyd flirted with a new mid-size graphite racket on an exhibition tour to Australia but first time losses to Sylvia Hanika and Pam Shriver, the winner, caused her to return to the standard size wooden model for next week's Canadian Open in Toronto. Miss Navratilova too resumes her tournament programme there after winning an exhibition event in California last week from Andrea Jaeger. So for the men and the women then the silly season is over and the serious business of challenging for meaningful titles begins once again.

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Good news can be bad news

HALF A CENTURY ago Richard Hughes wrote a novel called In Hazard—still a good deck-chair read, should you happen on a copy. On the surface it is simply the tale of a storm at sea, but it is also a satire on politics and policies, and about as subtle as a sledge-hammer. As the crew struggle to survive, it soon emerges that everything they do to save themselves makes matters worse: every apparent disaster contributes to their salvation. The history of economic policy in recent years may some day come to read like that.

Consider, for example, the history of the current U.S. recovery, which has surprised all forecasters with its vigour. It is being treated by President Reagan as proof that his policies have been right all along, but the facts suggest otherwise. President Reagan aimed to stimulate the economy through tax cuts, but control inflation through monetary policy; but until a year ago the result, as in this country, was to cause a sharp recession.

Mood

The turn came almost exactly a year ago—the result of a welter of bad news. The rising demands of the Federal government for loans, colliding with a tight limit on total credit and money growth, drove interest rates to a point where a widespread collapse of major companies and international borrowers seemed likely. To avoid this, the Fed had to abandon its monetary restraint, and give top priority to lowering interest rates, and it pumped seemingly endless reserves into the banking system. That was the origin of the bull market which lasted until a few weeks ago, and the sharp economic revival which followed.

Now, however, the markets are surfeited with good news, and increasingly convinced that it cannot last. The Fed feels that the economy is robust enough to stand a renewed drive against inflation, and interest rates have started rising again; the markets are afraid that this will lead to a financial collision, and have turned nervous. This mood may in itself be enough to check the recovery, for rising stock market prices are a great support for consumer confidence in the land of the small investor.

In this country events have been less dramatic, and the markets somewhat less prone to mood swings. The pattern which has ruled for many months now remains intact—pretty strong consumer demand (especially for cars), reflected in an agonisingly slow recovery in output. There are some signs of nerves, it is true—the gilt markets has been rather weak, and City forecasts increasingly speak of a slowdown to come, since the dramatic fall in the savings rate which released so much money for spending cannot be repeated. This probably underestimates the strength of consumer incomes, and the effect of strong asset prices.

If there is a trap in the road ahead, it is more likely to be found in the trade accounts. High real wages may stimulate trade in the High Street, but they do not help to make industry competitive, even in a world in which management can get away with sacking militants who have crept into the workforce in disguise, and achieve occasional miracles of productivity—a world which we at the Financial Times cannot share as yet, as events have shown. Mr Nigel Lawson, the new Chancellor seems well aware of this problem; he initiated his term of office with a cut in short-term interest rates, and has shown little concern with the subsequent, modest fall in sterling against the dollar. We have to compete in Europe, and sterling is still uncomfortably strong by that standard.

The reader may already have noticed an underlying message creeping into this analysis—that a retreat from stern anti-inflationary policies, whether by relaxing U.S. monetary policy or by allowing sterling to decline, can offer tempting relief in the short term. That message becomes a little clearer if we turn to the still unfinished story of the international debt crisis.

Punishing terms

This is the most telling illustration of the Richard Hughes thesis, for it was only the near-disaster of last year which, by bringing interest rates sharply down, made the problem manageable at all. There has been a secondary relief, less discussed, from the subsequent monetary expansion; dollar commodity prices have been rising at something near the rate of interest on debt, so that the problem has not got dramatically worse.

The commodity producers still face punishing terms of trade, however, and might well welcome some revival in world inflation, in which commodity prices would probably, as 10 years ago, rise faster than the rest. Even in the U.S., inflation would not be an unmixed evil; it would raise Federal revenues faster than expenditure, and so reduce the troublesome fiscal deficit — a task which the Administration and Congress seem unable to tackle.

None of this means that inflation is a harmless adjustment process, which we ought to embrace; but it can still be better than no adjustment at all. A lopsided victory over inflation, achieved by means of high interest rates and an over-valued exchange rate means stretching resources by depressing profits, savings, and investment in future growth, and that is the kind of cure which kills. Perhaps we will find a better answer second time round.

WALL STREET ONE YEAR ON

The bulls get nervous

By Richard Lambert in New York

A HEALTHY correction or the beginning of the end? One year to the day after the start of the great upsurge in share prices on Wall Street, even the most aggressive bulls have been starting to look just a little twitchy.

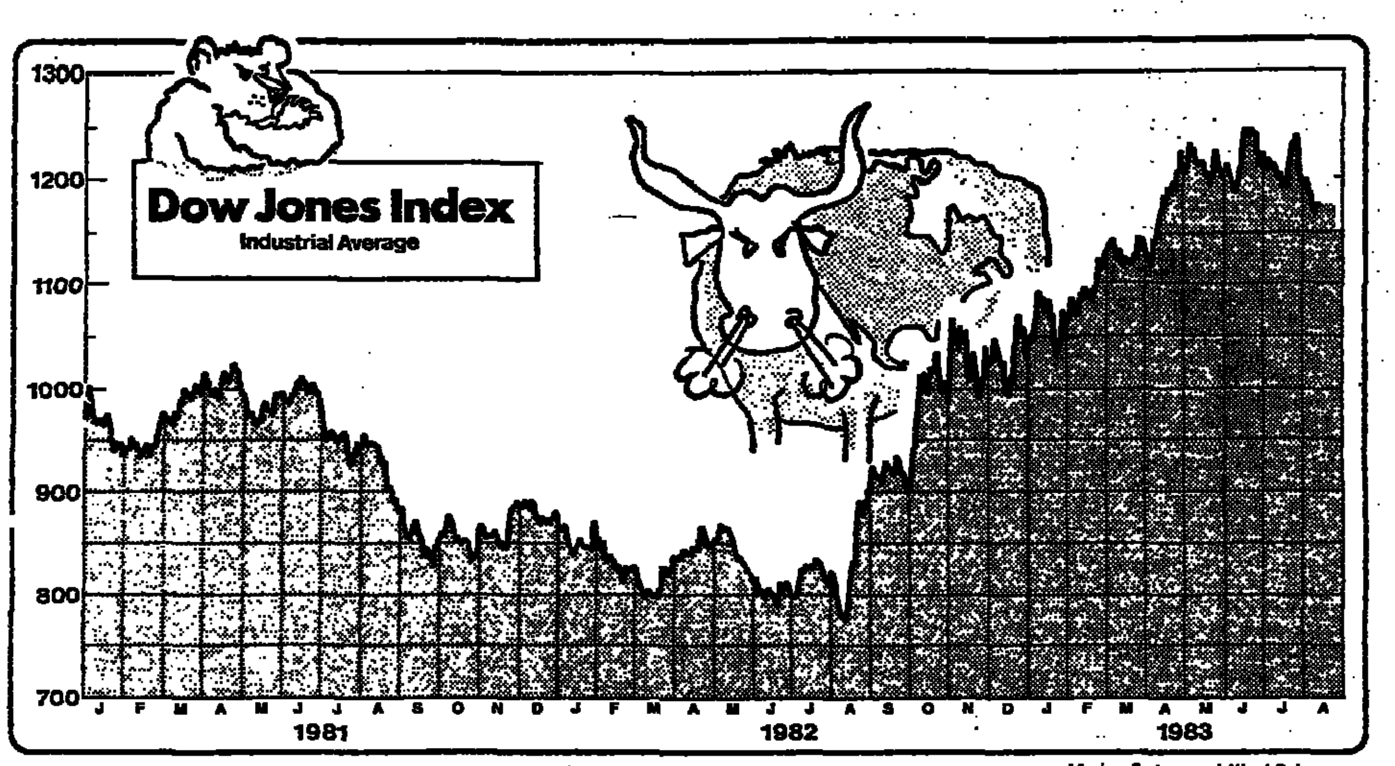
So far, the big industrial heavyweights have held up reasonably well: the Dow Jones Industrial Average is only about 6 per cent below the all-time peak reached in mid-June. But prices of the high tech favourites have taken a battering, with the likes of MCI and Apple computer showing falls of 30 or 40 per cent. And the wilder reaches of Silicon Valley are drenched in blood.

This is the third distinct phase in the market cycle which started with such explosive force last August. As has happened in so many bull markets in the past, the first stage of the upturn was driven just about exclusively by changes in the credit markets.

It's hard to recapture now the extent of the gloom that prevailed on Wall Street just over a year ago. The international debt crisis was looking ever more serious: at home, banks and securities firms were failing, and big industrial companies faced serious balance-sheet difficulties. The economy was on the skids.

Led down by the Federal Reserve Board short-term money rates had started a sharp decline, and the closely-watched Federal Funds rate had fallen by four full percentage points to 11 per cent between the end of June and the beginning of August. But with investors everywhere switching into short-term assets — the famous "flight to quality"—long-term interest rates remained stubbornly high, and the equity market was in a nose dive. In the eight trading sessions up to August 12, the Dow fell by more than 45 points to the low of 776.92.

It was one of those classic moments in stock market history. Just about everyone was committed in the same direction, and the feeling of despondency had been carried to excess. Prices began to steady a little on August 13, and when the guru of the bears, Salomon Brothers' Dr Henry Kaufman, decided a few days later that long-term interest rates were, after all, more likely to go down than up, the stage was set for a buying panic. By the end of the month, the Dow was over 900



Marion Sedgar and Nigel Paine

The second stage of the upturn also conformed to previous bull market patterns. With credit conditions easing, investors started to sense that the economic recession was drawing to a close, and to discount the recovery which began to materialise in such a forceful way this spring. Most economists said that business conditions this year would be a lot more fragile than in the early stages of previous economic upturns. They should have listened to the market, which by the end of the year had at long last pushed decisively through the 1,000 barrier on the Dow.

With capital gains growing and the dollar strong, a flood of money started to pour into Wall Street from all around the world. European investors' net purchases of U.S. equities jumped from $860m in the fourth quarter of 1982 to a record $2.4bn in the first three months of this year, and they remained heavy buyers through the spring. U.S. investing institutions put roughly a third of their new money into equities during the opening months of the year, the highest proportion since the early 1970s. The public piled in too, and sales of equity-based mutual funds have recently been running at four times last year's rate.

Once again, signs of speculative excesses started to appear—although this time around they were on the bullish rather than the bearish tack. The new issue market, for instance, went wild. The previous record for the amount of money raised in initial public offerings during a full year—around $3.2bn in 1981—was comfortably passed by the end of May.

In the rush to market, high tech companies were being valued at more than 10 times their latest annual revenues (they often had no profits to speak of) and although there were several high quality issues to be found, others were —well—a little adventurous. One which attracted some comment was a company called Indian Bingo, which a month after it was organised announced plans to raise $5m with which to operate bingo games on Indian reservations.

By the early summer, all this ebullience was beginning to make share prices look vulnerable to any kind of disappointment. What triggered the third stage in the market cycle—the current mood of uncertainty—was that interest rates, which had been moving broadly sideways since the end of 1982, started to push higher.

There were several related explanations for this adverse change in trend. One was that towards the end of May the Fed began to adopt what it called a "slightly less accommodative posture" in the money markets—which is Central Banker-ese for saying that it started to get tougher. M1, the basic measure of money supply, had been growing at an uncomfortably fast rate for much of the year, and since the economy was picking up smartly, the Fed felt able to pull in the reins a little.

U.S. share prices today are over 50 per cent above where they stood this time last year

At around the same time, investors' expectations about the outlook for inflation began to change for the worse. This shows up in the way that interest rates have moved in different segments of the credit market.

Thus the yield on one month bank certificates of deposit has risen by just over a point to around 9.5 per cent since early May. But the yield on a seven-year Treasury note has jumped by two full percentage points to roughly 12.1 per cent. In other words, investors are demanding a higher return for longer term money, which is a natural response to increased concern about inflation.

This stems in part from the strength of the economic recovery, which pushed Gross National Product up at an annual rate of 8.7 per cent in real terms during the second quarter. A great deal of space in a great number of stockbrokers' circulars has been devoted to the recent uptick in the index of industrial raw material prices. The same goes for the statement by Mr Paul Volcker, chairman of the Fed, that "rising private credit demands, in reflection of rising private activity, are beginning to clash with continuing heavy financing needs of the Government."

That brings us to Wall Street's old bugbear—the enormous federal budget deficit. It is now widely believed that no steps will be taken towards fiscal prudence until after next year's election at the earliest.

All this has caused a great deal of gloom and despair in the bond market. During the big treasury refunding earlier this month, investors kept their hands firmly in their pockets, and interest rates generally have climbed back up to very roughly where they stood a year ago. The dividend yield on the Dow Jones industrial average, meanwhile, is more than two points lower than it was 12 months ago, at somewhere around 4.6 per cent.

Yet there are lots of investors who believe that this widening in the gap between the current return on bonds and equities is fully justified. Their argument is that although the pace of economic growth may well slow down later in the year, there is ample scope for higher profits—and thus for fatter dividend payments—for several quarters to come.

In the reporting period for the three months to June, the company sector in aggregate registered its first year-on-year profits gain since the end of 1981—a rise of around 10 per cent. This was concentrated among companies that were able to benefit from the surge in consumer spending, and the pace seems bound to accelerate during the coming months

It's true that the rise in interest rates is likely to hold back some sectors of industry which did very well during the second quarter: the house-builders are an obvious example, and sales of new homes have indeed flattened out in the past few months. Yet there is good reason to think that output generally will continue to push ahead in the coming months.

For example, dealers' inventories of new cars at the end of July amounted to just 48 days' supply. This was down from an unhealthy 83 days a year earlier, and was the lowest figure at this time of the year in a decade. So it is no suprise that the motor manufacturers are planning big increases in their production rates during the coming months.

With productivity rising and wage inflation remaining low, this should add up to some very big profit increases—especially in the fourth quarter of this year and the first three months of 1984, when the figures will compare with those produced during the bleak months of last winter. Many forecasters are projecting that the rate of growth in Gross National Product will have slipped back to 4 or 5 per cent by the end of the year. But that could still leave room for profit gains of something like a third before tax during the winter period.

When it comes to the bottom line, Wall Street forecasts for the earnings on the Standard and Poors 500 share index range around $15 a share, up from about $12.70 last year. Forecasts for 1984 are in the region of $18 a share or more.

On that basis, the index is selling at roughly 10½ times this year's earnings and nine times next's—suggesting that although share prices are not in the bargain basement, nor are they out in the wild blue yonder.

All this will be of little help if bond prices continue to fall. The possibility of some further tightening by the Fed cannot be ignored at a time when M1 is still running slightly in excess of target. But it seems a bit improbable that market conditions will get a great deal worse in the immediate future.

For a start, the action which the Fed has already taken should help to restrain money growth in the months ahead. The pace of economic growth is more likely to slow down than expand over the rest of this year. And, although the rate of inflation may well have passed its cyclical low, there is no reason to think that it is about to explode upwards.

Of course, there will be inflationary pressures, but American industry has learnt some bitter lessons in the past few years. A case in point is Ford's plan to cut the health care benefits of thousands of its white collar workers — a move which received much less publicity than the United Auto Workers' unsuccessful bid to win an immediate wage increase from Chrysler.

The budget deficit will continue to cast a shadow over Wall Street for a long time to come —yet that is not exactly news. With the long bond yielding around 12 per cent at a time when consumer prices are rising at an annual rate of little more than 4 per cent, the Treasury is already paying a very high price for the fiscal muddle in Washington.

Finally, it seems safe to speculate that the Fed would be unhappy to see a further sharp rise in interest rates at a time when the international debt crisis has by no means been resolved, and when the dollar is soaring to new peaks on the foreign currency markets.

U.S. share prices today are over 50 per cent above where they stood at this time last year, and a correction of the type that has been under way in recent weeks seems well in order. But although the bull market in equities may be growing a little long in the tooth, it seems much too soon to write it off yet.

THE UDS GROUP

In our review of the affairs of the UDS Group (FT April 16) we said that the Lyons family had reduced its stake in the company soon after the rights issue in 1979.

We recognise that this allegation was without foundation and that the members of the Lyons family most closely concerned with the affairs of UDS Group in fact increased their shareholdings, some of them substantially, after the rights issue was announced.

We apologise to the members of the Lyons family involved for any embarrassment caused by the error.

Letters to the Editor

Markets

From Mr E. Dyke

Sir,—Much has been made of free trade the essence of which is the ability and willingness to spend. In the prosperous North where markets have reached saturation point the willingness has subsided. In the deprived South the ability is absent.

In the early 1900s when the assembly line was seeking a market the solution was to increase the purchasing power of the mass. In fact had a mass market not been created throughout this country by way of higher wages, the products of mass production, the car, the radio, TV and manifold consumer goods, would not exist.

As the market of the future in 1900 rested with the then deprived mass in the now prosperous North, so the market of the future now rests with the mass in the present deprived South.

Is it not best that we abandon the selfish neo-colonial stance of the North and, I suggest, the defensive confines of the EEC, in favour of a courageous economic alliance with the Third World, the emphasis on "alliance" rather than "paternalism"?

E. D. Dyke,
19 Approach Road,
Margate, Kent.

Torness

From Mr S. Martin

Sir,—Why is it that the South of Scotland Electricity Board feels that it is in a race against the Scottish Campaign to Resist the Atomic Menace? If our arguments against Torness are proven correct and public opinion is shown to be against nuclear power, then surely in a democratic country the project should be abandoned. Over the last five years the SSEB has changed its mind on combined heat and power; let's hope that it will also abandon its arrogant pro-nuclear policy. Suspending work on Torness and investing will be the first sensible thing it has done.

The idea that the electricity Boards should be staging a race between the Heysham 2 and Torness AGR's is appalling; like two little boys jumping off a cliff to see who arrives at the bottom first. If the SSEB and McAlpine, its main contractor, insist on building Torness as fast as possible, corners will no doubt be cut.

If, as has been stated, employment at Torness is "well past its peak," whatever happened to the promised 2000 local jobs which were to help alleviate local unemployment? Less than a third of those local jobs have materialised while more than 60 per cent of the workforce came from elsewhere—McAlpine's "best team" was moved to Torness. This is normal practice in the construction industry, yet the local community was misled on this important issue.

For anyone who is interested "Torness: from Folly to Fiasco," available from SCRAM, price 90p plus postage.

Steve Martin,
(for Scottish Campaign to Resist the Atomic Menance).
11 Forth Street,
Edinburgh.

Disarmament

From Mr B. Bligh.

Sir,—Nuclear weapons are wicked and immoral, and the fact that the super powers have these weapons is no reason for a British Government to follow suit.

From this premise let us be practical. Realistic estimates of the death toll in a European nuclear war are about 100m. The theoretical arguments put forward about deterrence do not face up to the practical question "Is there ever going to be a set of circumstances where Britain is going to use nuclear weapons?"

If the answer is "No," then the weapons are no deterrent. If the answer is "Yest," then sacrifice of 100m lives for some notional political issue. Can anyone suggest a notion which is worth that sort of sacrifice plus all the agony that would follow?

In Britain there are 1.3m defence-associated jobs. This is a major obstacle to disarmament; there are so many people in UK and U.S. (and presumably USSR) who have a vested interest in keeping the arms race going; they are the military, the defence experts, civil servants, businessmen, sales-manual workers, etc.

B. R. Bligh.
4 St. James's Avenue
Hampton Hill, Middlesex.

Recovery

From the Chairman,
Reward Regional Surveys

Sir,—Our July survey of major research associations and corporate research and development departments, published during your recent dispute, provides a further ray of watery sunshine on the professional jobs front.

In this, only 3 per cent of respondents see a decline in activity during 1984, and 43 per cent of departments expected to increase their staff compared with 30 per cent in 1982.

Capital expenditure will be increased by 43 per cent of our sample, up from 41 per cent last year, and as research and development expenditure inevitably pre-dates production and marketing activity, this survey's findings support the views from Whitehall, Westminster and the City that a slow and hesitant recovery has started.

Peter M. Brown.
1, Mill Street,
Stone, Staffordshire.

Education

From Mr C. Barrie

Sir,—J. E. Russell's analysis (August 9) of today's universities is based upon the old fallacy that universities teach facts — rather than methods of

In terms of knowledge acquired a three-year degree is, agreed, "so narrow as to be almost useless in the great expanding world." More valuable are the techniques learnt by each student, techniques of research, analysis, and mental flexibilty.

These are the qualities that should make graduates employable. They are also the qualities that come from being "taught" by dons actively engaged in research for six months of the year.

So unfortunately J. E. Russell's suggestion, that universities teach for 11 months and be accountable on that basis, would merely produce a greater division between teaching establishments and research centres.

Then our students would be even less encouraged towards original thought and independence than they were at school.

C. K. A. Barrie.
33, Manor Way, SE3

Distortion

From Mr G. Wood

Sir,—In the Financial Times of August 9 it was reported that Mr Bryan Gould has complained to the Chancellor that recent Bank of England operations so distort the money supply data that no economic decisions can be based on them. His analysis of the data is correct; but the conclusion he bases on that analysis is the exact opposite of the correct one.

The Bank has been selling gilts, and then supplying funds to the private sector by buying commercial bills. This reduces bank lending to the private sector, but does not deny the private sector credit. Hence £M3 is depressed, but there is not a financial squeeze corresponding to the depression of £M3.

Mr Gould is correct that the extent of the £M3 distortion is hard to judge. But the direction of it is quite clear. £M3 is

follows that a decision to cut public expenditure based on these distorted data would get even stronger support from the "true," or underlying, data.

Mr Gould's analysis shows not that there is no case for cuts in public expenditure, but rather that the case is stronger than taking the money supply data at face value would have suggested.

Geoffrey E. Wood.
Buckmaster and Moore,
The Stock Exchange, EC2

Events

From Mr L. Jackson

Sir,—Welcome back! Events got a little out of hand during your absence.

First, there was the General Election campaign, in which we missed your own humane, soundly-based but regrettably absent guidance.

Then, to exchange rate-watchers, the apparent invincibility of sterling. Up went the dollar and the textbooks say that sterling will come down as everyone switches funds to New York. Those of us however who maintain that it is not Maggie Thatcher, you or I, but market sentiment which determines the external value of sterling have been justified. Apparently the market thought that the Bank would not support sterling if the rate slipped, so what was the point of selling the stuff? There is a rationale about this but it is not to be found in the textbooks.

Still, God's in his heaven and the FT's back. Can't ask for more!

Leonard A. Jackson,
Quay Cottage,
Dittisham,
Nr. Dartmouth, Devon.

Sardonic

From Mr B. McGinley

Sir,—The Popean advertisement (August 9, Page 28) which accompanied your welcome return lacked the sardonic ex-

work. I suggest the following as a comment on the recent tribulations of Bracken House:

This labour past, by Bridewell all descend,
(As morning pray'r, and flagellation end)
To where Fleet-ditch with disemboguing streams
Rolls the large tribute of dead dogs to Thames.
(The Dunciad, II, 269-72).

Bernard McGinley,
176 Roslyn Road, N.15.

Lloyd's

From Mr G. Ranald

Sir,—There must be few, if any, businesses that charge a profit incentive commission and yet enjoy a satisfactory reward when their client has suffered a loss.

One such exception is a Lloyd's members' agency. A simple example shows how—It is unlikely that any Lloyd's member participates in less than five syndicates. If four of those syndicates produce a profit of £1,000 each then the agent will share with the managing agent a commission of say 20 per cent on £4,000=£800. If however, the fifth syndicate makes a loss of £5,000 the member writes out a cheque for the net loss amount of £1,000, but the agent still draws his so called profit commission of £800.

A discretionary investment manager proposing to clients that he take 20 per cent of every profit and the client bear the cost of any loss would quite rightly never have a business.

The day a Lloyd's members' agent offers to base his reward on the client's overall position would be a red letter day for every external name. From then on an external name would be able to see his agent treated like any other performance rewarded manager.

G. C. Ranald,
L'Annonciade,
Avenue L'Annonciade,

Raymond Snoddy examines the controversy over direct broadcasting by satellite in Britain

The BBC's £350m roulette wheel

THE BBC is poised on the edge of the riskiest venture it has ever undertaken. The Corporation has to decide very soon whether to sign a final agreement on direct broadcasting by satellite (DBS) and so launch itself into the Third Age of broadcasting and the impending battle for audiences in an era of proliferating choice.

For the viewer from Land's End to John o' Groats — prepared to pay between £400-£500 for the receiving equipment and about £10 a month for the programmes—the new system would mean two new channels direct from space.

For United Satellites (Unisat), the British Aerospace, GEC-Marconi, British Telecom company which is building the three-satellite system due to be launched in the summer of 1986, there is prestige and the possibility of an export market in the future.

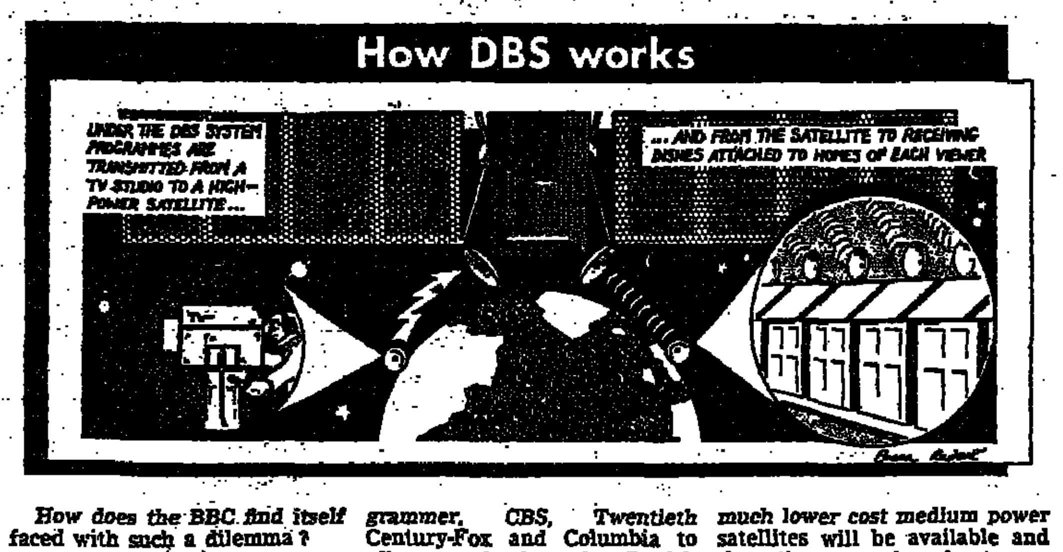
For the BBC there is the certainty of paying £168m for two channels for seven years if DBS goes ahead. Total costs are likely to rise beyond this to more than £350m in pursuit of an audience that no-one yet knows exists.

"There are no sums. Nobody has got any sums and people who make sums up out of their heads are being mischievous in some way," says Mr Bill Cotton, managing director of the BBC's DBS operation, with disarming frankness.

The view of space has clouded with alarming speed

This combination of guaranteed costs and uncertain income —and the sheer speed with which the technology is still evolving—has led to some high level opposition to the plan within the BBC. Despite a June 30 deadline the final contract has not yet been signed. And although the BBC Governors last week reaffirmed their commitment to the project "under the proper conditions" they asked Mr Alasdair Milne, the BBC director general, to have discussions with the *Government on "the technical* and financial implications of the project."

Outside the BBC analysts like Mr Patrick Whitten, managing director of CIT Research, which carries out research in new media markets, argue that DBS will turn out to be a "sledge-hammer to crack a nut" and that the corporation will lose a lot of money.



How does the BBC find itself faced with such a dilemma?

DBS — the sending of a television signal to a transponder on a satellite in geostationary orbit 23,000 miles above the equator and its return in a different frequency to a dish aerial 2 ft across — first became theoretically possible in 1976. In 1977 an international conference allocated five channels each to the European nations and the BBC told the UK Government it wanted two of them.

When permission was given the Department of Industry was instrumental in putting together the Unisat consortium — and the needs of the broadcasters became inseparably intertwined with the long-term British industrial strategy.

Initially the BBC had few qualms about DBS. It was seen as a key imperative if the corporation was to survive as an institution. If it left all the burgeoning new channels to others there was the danger that declining audience share would undercut what it regards as the cornerstone of its independence —funding by a universal licence fee. Moreover the BBC remains committed to the idea that it should serve all the people and believes that DBS is the only practical way of doing this.

But the view of space from Broadcasting House has clouded with alarming speed. Now even some BBC officials worry that the BBC's high power 200 W satellites are over engineered, over expensive and in danger of being obsolescent before they are ever launched.

The greatest apparent commercial threat to the DBS service, however, is that it might be outflanked by the spread of cable.

Goldcrest Films and Television—a subsidiary of S. Pearson which also owns the Financial Times—has already joined with Home Box Office, the largest U.S. cable programmer, CBS, Twentieth Century-Fox and Columbia to offer a movie channel to British cable operators from early next year. A rival consortium, United Cable Programmes — linking Rediffusion, Visionhire, Paramount, Universal MGM/United Artists, Plessey and Rank Trident—is putting together a competitive package.

To add to the choice Rupert Murdoch's Satellite TV, now broadcasting to cable operators in Switzerland, Finland and Malta is offering British cable *operators five hours a day of ad*vertising supported television from January.

The cable operators believe they have a number of in-built advantages. Mr James Lee, chairman of Goldcrest, plans to use a low power relatively inexpensive, about £1.9m a year, telecommunications satellite transponder already in orbit to distribute his movie channel. The signal is too weak to be picked up by individual homes. Instead it is fed to a single large dish at the head of the cable network

Mr Lee believes that in any case, satellites will only be needed to distribute programmes in this way until fibre optic trunk routes are laid across Britain.

The BBC's Mr Cotton is unimpressed by this argument and by the rapid formation of such consortia which he describes as merely "banging about." He adds "people are running their carts before their horses to a market which does not yet exist"

The BBC also argues that its programme-making skills and experience give it a unique position and that DBS will give it the power to cover the entire country, cabled and uncabled, at the flick of a switch.

The case that the BBC is paying too much for a too sophisticated satellite seems at the moment unproven. The nub of this argument is that next year *much lower cost medium power* satellites will be available and that they can broadcast perfectly well—to individual homes. In the U.S. Satellite Television Corporation has already asked for a medium power satellite due up next year to be modified so that it can broadcast to individual homes. But the company still plans to go ahead with a full DBS service in 1986.

The chairman of another U.S. company in the satellite business Mr Sidney Topol of Scientific Atlanta believes it is still too early to say whether the planned 56W medium power satellites will be capable of offering the same coverage, picture quality and reliability as the much more powerful 200W DBS.

It is a whole series of fine technological, broadcasting and commercial judgments such as these which the BBC Governors will have to consider when they next discuss the issue in September. But although they have still left themselves a verbal loophole it now seems—for institutional, political and practical reasons—too late to back out and it is nearly time to spin the roulette wheel. The hope of getting government money is a forlorn one. The project was always viewed as private sector.

Mr Daniel Gruneberg, managing director of Unisat, says: "Our judgment is that we will conclude an agreement with the BBC and that we will proceed with the project. We have no doubt about that whatsoever."

The BBC believes it will break even on the project in the sixth year of operation with 2m subscribers. A significant proportion of those would be cable homes thanks to the important Government concession to traditional broadcasters that all cable operators "must carry" and offer DBS channels.

Dr Tony Armstrong, a financial analyst at Charterhouse Japhet, the merchant bank, fed in admittedly fragmentary BBC data on DBS into the bank's computer model of the spread of cable in the UK.

The data assumed the 2m breakeven point in 1992, £10 a month subscription charge, capital costs totalling £350m, a slow build up of subscriptions and a 52 per cent cash return from subscribers supplied by cable—the proportion going to the programme wholesaler in the U.S.

Under these illustrative assumptions total borrowing requirement could rise to as much as £433m in 1989 on the way to breakeven. The BBC's borrowing limit has been raised to £225m for the DBS operations which has to be funded separately from the licence fee and the money has to be borrowed at commercial rates.

Should the figures come out in real life anything like so large as the Charterhouse model the BBC might have to consider selling off some of the reserve transponder capacity—quite possibly to the IBA.

For if the BBC could achieve the break even point in the seven year formal life of the contract the financial outlook would be transformed. Although the DBS satellites have a design life of seven years the maximum and probably realistic life is 10 years. By the tenth year the satellite rental falls to 10 per cent of the main contract total and large profits will flow.

A threat to the DBS service from cable

In the shorter term the battle will probably be won or lost on two issues:

● Programmes: Can Mr Cotton and Mr Gunnar Rugheimer, head of BBC programme acquisition, offer programmes that the consumer will pay for despite the non-exclusive movie deals put together by Goldcrest and Rediffusion?

● Can Britain's set and equipment manufacturers get prices low enough to attract the consumer?

Mr Douglas Topping, technical director of Thorn EMI Ferguson is convinced they can and says Thorn "plans to press ahead very hard." The company is working on putting together a complete DBS receiving package for rent.

"If we miss out on this opportunity it will be a tragedy for the future of the industry in this country," he says.

P & O's new chairman

Sterling: a new captain takes command

By Michael Cassell

FOR Jeffrey Sterling, the millionaire bachelor to whom Peninsular and Oriental Steam Navigation has entrusted its future and its independence, his appointment as chairman is a source of undisguised excitement.

"The group is rich in history and there is an enormous pride within its ranks. I have to capture everyone's imagination and change the dynamic of the group in order to get results. If you cannot motivate people in areas like shipping and transportation then you might as well shut up shop and go home."

Sterling is not one to give up the struggle, as his dogged determination to resurrect the Town and City property group demonstrated. Neither will he avoid a fight, even if it involves an old friend like Nigel Broackes, chairman of Trafalgar House.

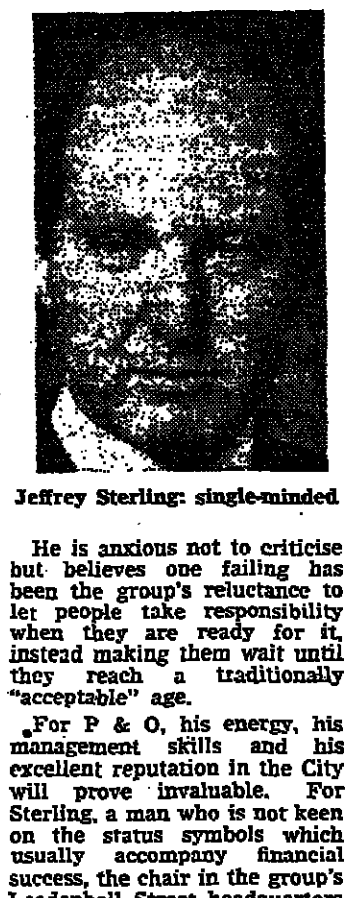
He takes over the top job at P & O—in search of a new strategy and desperate to repel any fresh takeover advances from Trafalgar House—at the age of 48 and only two years after joining the board.

It is a particularly satisfying chapter in a career that has seen periods of both painstaking progress and spectacular success and has brought him into the top league of business and the inner circle of government decision-making.

Sterling, the grammar school boy who denied himself the chance of becoming a concert violinist, but who sees a clear affinity between musical interpretation and the finesse of high finance, will bring to P & O the business instincts which have inspired many people who have been loyal to him over the years.

Those who know him well say that one of his greatest strengths is his ability to pick the right people for the job, to know whose opinion to ask and which judgment to make. He is happy to rely heavily on others for advice in areas where he has no detailed knowledge but, once he takes a decision, he maintains a single-mindedness which some claim borders on arrogance.

At P & O, retirements will in any case pave the way for new board appointments. But Sterling will be paying particular attention to middle management to identify the lieutenants who will help him steer P & O on a new course.'


Jeffrey Sterling: single-minded

He is anxious not to criticise but believes one failing has been the group's reluctance to let people take responsibility when they are ready for it, instead making them wait until they reach a traditionally "acceptable" age.

For P & O, his energy, his management skills and his excellent reputation in the City will prove invaluable. For Sterling, a man who is not keen on the status symbols which usually accompany financial success, the chair in the group's Leadenhall Street headquarters is the sort of reward he appreciates best.

Throughout a career which has embraced the Stock Exchange, merchant banking, a brief flirtation with computer leasing, retailing and property development, Sterling's personal challenge has always been "to find an answer to an idea." His greatest inspiration and closest confidant was his father, who died last year as his son's biggest triumphs were taking shape.

Sterling has become indelibly associated with the property world because of his successful struggle to revive Town & City. Actually, he is irritated with the property label and hopes the P&O job will help remove it. though the group is no stranger to this sector with its string of Bovis subsidiaries.

The Town & City story began in 1974 when the institutions pushed in Sterling Guarantee Trust to get the company off its knees. Sterling admits that the struggle was not totally altruistic.

"We had money owing to us but we did not realise just how bad things were until we got in there. Eventually, it became a personal challenge and we had to win just for the hell of it."

To relieve the years of frustration at T and C—which have ended with a spectacular return to profits and it being renamed as Sterling Guarantee Trust—Sterling began to develop another dimension of his career.

He enthusiastically threw himself into charity work, helping mastermind the 1977 Silver Jubilee celebration in London and running Motability an organisation designed to provide vehicles for the disabled. He is chairman of the Royal Ballet School and has just stepped down as chairman of the Young Vic.

It was through his charitable work that Patrick Jenkin, the then Minister, invited him to become his special adviser at the Department of Industry, a role he now fills for Cecil Parkinson at the Department of Trade and Industry. Under his first Minister, Sterling was instrumental in getting the quarrelsome manufacturers of System X—the all-electronic digital telephone system—to agree on new production arrangements.

The job is part-time, unpaid and his special brief is to advise on privatisation. He also serves on a Cabinet sub-committee but denies any political ambition, saying he turned down the chance to become an MP 20 years ago.

He believes the present Government is "going back to basic principles" by telling the people "that if they succeed they should be able to retain the fruits of their efforts. It is not a matter of subscribing to a particular brand of politics. It is simply a matter of what you were brought up to believe in."

Sterling admires the sheer devotion to duty displayed by politicians and senior civil servants but says government does not always have a wide enough perspective to make the correct decisions.

Perspective is one of the qualities which he brings to P&O, where he is expected to spend a lot of time in the coming months. But, as a colleague said: "Even if Jeffrey only goes in one day a week, he will have no trouble in stirring up everyone sufficiently to keep them going flat out for the other four."

Weekend Brief

End of a dramatic City dream?

Lord Miles was in ebullient and unforgiving form yesterday lunchtime as he reflected upon the end of an era at the Mermaid Theatre in London's Puddle Dock. The trustees have put the lease of the theatre on the market and expect offers of around £1m. With debts running at over £600,000 they claim that the creditors have to be repaid and that Lord Miles must go.

The Mermaid adventure began *in a St John's Wood* garden in 1951 with a production, mounted by Lord Miles for friends and family, of Purcell's *Dido and Aeneas*, Kirsten Flagstad and Thomas Hemsley in the cast. By the end of the decade the Puddle Dock scheme was under way, supported by the City of London. The doors opened in May 1959 with the hit musical *Lock Up Your Daughters!* (lyrics by Lionel Bart).

Since then, following the twin policy of giving a bird's-eye *view of world drama* and bridging the gap between brows high and low, the Mermaid has led the British theatre into rewarding reappraisals of Brecht, O'Casey, the Jacobeans and, perhaps most memorably, Shaw.

"We were the Gypsy Moth leading the fleet," proclaimed Lord Miles, resorting to his favourite nautical metaphors. Two years ago Sir Ralph Richardson rang the ship's bell to welcome us to the new theatre buried beneath the unattractive grey development *designed* by Richard Seifert for the City Corporation and Touche, Remnant and Company.

He could also have been ringing the death knell. The opening production in the refurbished auditorium was a disaster: *Eastward Ho!*, one of Lord Miles's favourite Jacobean rarities, lost £80,000. Despite a generous interest free loan from Barclays Bank, the Mermaid appeal never reached even the half way mark in its £1m goal. And Lord Miles' efforts to reinvigorate his artistic policy came to naught. The latest of these, a proposal to join forces with the Hampstead Theatre in order to concentrate on contemporary drama in an ideal auditorium (610 seats, with qualities of both intimacy and airiness) was *rejected "out of*


A Mermaid actress and Lord Miles—now in unforgiving mood.

While Lord Miles may arguably have run out of creative steam and the Corporation of London has undeniably shifted its support to the new Barbican Centre, this tragic crisis could so easily be avoided if one felt the trustees were determined to keep the theatre open. But as so often happens when vulnerable creative adventures hop into bed with property speculators and the full force of the commercial market, the outcome is inevitable.

Meanwhile, Lord Miles resumes the acting career he sacrificed to follow a dream. He is on tour, and about to visit the Edinburgh Festival in Lindsay Anderson's production of *The Cherry Orchard*. The cruel irony is that he plays Firs, the old family retainer left alone on the estate as the family moves out and the drama's first modern speculator, Lophakin, moves in to cut down the trees and maximise the land's profitable potential.

Climbing Ben Nevis to work

There is a widely held belief that long-term unemployment leads to apathy or institutionalisation. If this is so, 14 men in Inverness-shire are exceptions.

Daily they take an hour to trek up Ben Nevis—Britain's highest mountain—and then boulders, level heavy ground and build drains and culverts —all without machinery—for an average wage of £60 a week.

They are redundant workers from the aluminium smelter and paper factories at Fort William and they are engaged *on a Manpower Services Com*mission Community Programme project to construct a winding tourist path to the top of the 4,400-feet high ben overlooking Fort William.

Each day they climb 1,800 feet to work. Then, in two squads of six, each with a supervisor, they carry on with the reconstruction of an original path built in 1883. The new route will link up at 2,200 feet with the remainder of the old path, which is still in good condition.

When the project is completed next April the path will open the summit to thousands of tourists and also help rescue parties to reach stricken climbers more quickly.

David Murray, the special projects manager with Lochaber District Council who is in charge of the project, says: "It's an unusual scheme and these men are certainly fit—they have to be. I would hate to have to trek up that high and then start wielding a pick all day. I was a bit dubious about taking one chap on: he had rather a large 'pot'. But I decided to give him a chance. He lost two stones in weight and said he had never felt so fit in his life."

The project has helped two men obtain good permanent jobs. "Employers ask us what can give a good reference. Otherwise, if a man says he has done nothing for two years a prospective employer just doesn't want to know."

This is probably the most unusual project in the MSC's Community Programme scheme, launched in autumn last year with the aim of providing work for the long-term unemployed. It took over and expanded the previous Community Enterprise Programme which provided work for about 30,000 of the long-term unemployed and its target is to provide 130,000 *temporary jobs by the autumn* of this year.

Latest figures from the MSC indicate that the Community Programme has some way to go yet to achieve this target. At the end of June 106,000 jobs had been approved but only 64,000 had been filled, with people working.

The Ben Nevis project will obviously benefit tourism but so also will work being carried out by the York Archaeological Trust with the help of 24 Community Programme workers. The trust workers have recently uncovered evidence of some remarkable river engineering carried out in the Middle Ages in Skeldergate, York.

The main discovery has been a stone 14th-century wall, set about five metres back from the present river front of the Ouse, demonstrating how the river bank during that period was gradually reclaimed by building a succession of "river walls, with the back areas filled with sand." Another important new find is a 15th-century river gate inserted into the wall, probably used to offload ships at water level.

Among other Community Programme projects under way are: the manufacture of cardboard puppets in London; the employment of 10 out-of-work designers and film-makers in Carlisle to produce children's stories for deaf youngsters; and the use of 16 long-term unemployed people as coaching staff at the Toxteth sports centre in Liverpool.

The Community Programme, which is expected to cost £575m gross *over a two-year* period (£185m net after taking into account savings in benefit payments) has not been universally welcomed. Trade unions, when the scheme was introduced, objected that the workers employed on the scheme would be doing work which should be the preserve of those already employed, especially local authority workers.

One wonders how many local authority workers would have been eager to climb 1,800 ft to work each morning.

Contributors:

Michael Coveney

James McDonald

Anglo-Am. Secs. lifts first half earnings

For the half-year to July 15 1983, attributable revenue of Anglo-American Securities Corporation improved from £1.52m to £1.65m. The net asset value per 25p share was shown as rising from 183.5p to 281.5p. At the last year end the value was 239.9p.

At last year's interim stage the directors said that more overseas investment could be expected in the coming months. They now believe that the outlook for the Japanese economy, and for company profits, is favourable and have therefore decided to increase the company's commitment to that market.

As already announced the interim dividend is a same again 1.5p. Last year a total of 5.1p was paid from net revenue of £3.1m.

Gross revenue for the period was £3.08m (£2.75m), management expenses took £113,000 (£204,000), debenture and other interest £101,000 (same), and tax £1.17m (£889,000).

A breakdown of the company's portfolio distribution at July 15 1983 compared with January 15 1983 shows (in percent) UK 39.8 (43.1); North America 31.1 (33); Japan 18.2 (14.6), and other 10.9 (9.3).

Reduced losses at Owen & Robinson

Greatly reduced losses, down from £73,035 to £3,901, are reported by Owen and Robinson, jeweller and silversmith, for the year to May 31 1983. Turnover improved from £1m to £1.03m.

There was a tax charge of £1,427 compared with a credit of £22,230, and after extraordinary credits of £23,997 (£2,529), attributable profits emerged at £18,669 compared with losses of £50,276.

The total dividend is unchanged at 10p with a final of 7p—last year the whole amount was paid as a final.

The loss per £1 share was down from 77.54p to 9.71p before extraordinary items.

A & C Black half year improvement

An advance of £50,000, to £233,000, on last year's interim pre-tax profits is announced by publishers, A and C Black. Turnover for the six months to June 30, 1983 rose from £1.61m to £1.68m.

The interim dividend is lifted from 1.5p to 3p to reduce disparity with the final. Last year a total of 7.5p was paid on a taxable surplus of £335,000.

After tax of £80,000 (nil) earnings per 25p share emerged 3p lower at 15.5p.

Little change at Alliance Trust

Net income available to ordinary stockholders in the Alliance Trust was little changed at £3.39m compared with £3.31m in the half-year to July 31. Gross income before interest and expenses was £6.52m against £6m.

Stated net earnings per 25p share rose from 6.57p to 6.73p, and the net asset value per share was 633p (560.1p at January 31 1983) after prior charges at par.

The interim dividend is raised from 3.75p to 4p net—last year's total was 12.3p from net revenue of £6.4m (£5.86m).

Prestige growth—dividend bonanza

WITH HALF-TIME profit showing a "very satisfactory" increase, the directors of Prestige Group are increasing the interim dividend from 2.5p to 3p net. And taking account of the size of the company's liquid resources, they have declared an extraordinary payment of 27.5p per share.

For the first half of 1983 turnover of the group rose from £27.27m to £30.23m and the pre-tax profit advanced from £2.36m to £3.18m.

The group makes and sells domestic housewares under the brand names Prestige, Skyline, Ewbank and O'Cedar. It is controlled by the American Home Products Corporation, and is one of the largest manufacturers of domestic housewares outside the U.S.

Mr P. J. van Zuydam, the chairman, says the very satisfactory result reflects the higher level of efficiency of the group coupled with increased competitiveness. After paying the extraordinary dividend the company will continue to have adequate working capital and a sound financial base from which to expand.

Tax for the half year takes £1.45m (£1.04m) and leaves the net profit at £1.73m (£1.32m). The interim dividend requires £548,374, and cost of the special payment is just over £5m.

In respect of the year 1982 group turnover was £55.83m and profit before tax came to £5.46m. There was an extraordinary charge of £445,000, comprising £710,000 for factory and office reorganisations in the UK and Europe, and the cessation of trading by Prestige Group (Japan), less £265,000 proceeds from the sale of land and buildings in Belgium. The dividend total was 6.875p.

● comment

It comes as a surprise to find that Prestige, renowned in the past for its stolid conservatism, is to give away £5m to its shareholders Until now, the group has appeared to be quite happy to sit on its cash balances. The extraordinary distribution, coupled with a 20 per cent increase in theregular dividend and a 35 per cent rise in pre-tax profits, sent the shares bounding up 42p to 230p. American Home Products, holder of 74 per cent of theequity, certainly does not appear to need the cash to bolster its own balance sheet. But the handout would seem timely if AHP, the largest retailer of over-the-counter medicines in the U.S., was mulling over the appropriateness of its household and kitchen products portfolio in the UK. Parental second thoughts would appear unavoidable, moreover, at a time when Prestige's shares are trading at an all time high on the back of the group's improved profits performance. Prestige maintains, however, that it merely wished to pass on surplus funds to its shareholders. The group had purposely practiced divedend restraint as a matter of prudence in recent years when UK consumer spending was depressed. This policy, along with strict control of cash and working capital, led to a tripling in cash balances to £7.3m in the three years to the end of 1982. Yesterday's handout, the argument goes, also comes as a mark of confidence in the stability of Prestige's markets and the regular dividend policy will henceforth be more generous. Assuming a similar dividend increase at the final stage, the prospective yield is 5.9 per cent, which should keep AHP reasonably happy.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
No. 5	7½-S	—	—	—	—
Alliance Trust ....int.	4	Oct. 21	3.75	—	12.3
Ault and Wiborg	0.5	Oct. 7	0.75	—	1.25
A. & C. Black ......int.	3‡	—	1.5	—	7.5
British Assets 3rd int.	1.25	Oct. 3	1.15	—¶	4.55
Owen and Robinson ...	7	—	10	10	10
Prestige Group ......int.	3§	Sept. 7	2.5	—	6.88

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Plus extraordinary 27.5p. ¶ Dividends for full year will not be less than 4.9p. ‖ To reduce disparity.

Grand Met sales rise 14% after nine months

THE DIRECTORS of Grand Metropolitan have announced the group sales for the nine months June 30, 1983, and the figures for the U.S. company in respect of the third quarter and nine months.

Compared with the nine months of 1981-82, group sales have risen by 14 per cent, from £2.81bn to £3.21bn. External sales of the overseas subsidiaries are translated into sterling at the relevant weighted average rates of exchange for each period.

The American group, Grand-Met U.S.A., produced sales of $356.6m ($284.17m) for the third quarter, and net earnings of $17.53m ($14m), after a tax charge of $20.55m ($15.5m). This pushes up the sales to $955.25m ($777.06m) for nine months, and the net earnings come out at $50.64m ($37.93m) after tax $56.23m ($42.14m).

Earlier this year, the corporate structure of the group's U.S. interests was aligned more closely with the changes in organisation and management made by the group in 1982. With the exception of the U.S. wines and spirits business, all of the businesses formerly owned by Liggett Group Inc have become owned by wholly owned subsidiaries.

In the report for the three and nine months comparisons with previous periods are distorted by special timing factors such as the effect on the cigarette operations of the increase in the federal excise tax on January 1 1983 and the phasing of selling price increases needed to recover the additional tax.

It is hoped that the preliminary statement for the year ending September 30, 1983 for the Grand Metropolitan group as a whole can be released on December 22.

FRIEDLAND DOGGART

Friedland Doggart is to follow the path beaten by Kelsey Industries and less than a handful of other companies in buying-in its own shares. Details are expected with the interim results next month when the Friedland doorbell and Frido football manufacturer announces plans to tender for about 15 per cent of its equity. The aim is to return to shareholders a proportion of the £3m plus net liquid balances which have been accumulated by several years of cash generation.

Ault & Wiborg falls into the red midway

THE directors of Ault & Wiborg—manufacturer of printing inks, automotive paints, chemicals and coatings—consider that following a fall in trading profits for the six months to June 30 1983 the interim dividend should be reduced.

Trading profits emerged more than halved at £795,000 compared with £1.63m, and the interim dividend has been cut by a third to 0.5p.

At the pre-tax level the company fell from profits of £731,000 to losses of £197,000, after redundancy and closure costs of £183,000 against £178,000 and higher interest charges of £809,000 compared with £718,000.

Mr C. F. Strang, chairman, says that although it is difficult in the present economic climate to forecast demand, sales by all divisions in May, June and July have shown an upturn compared with the previous months of the year. And the directors believe there will be a return to profitability in the second half.

The directors add that the level of the final dividend will depend upon the profit for the whole of 1983, and the outlook for 1984.

They say there has been a marked improvement in the performance of the chemicals division and sales of automotive refinishes have held up during 1983.

The chairman says the inks division continued to suffer from the depressed state of several of the markets which it serves, and the margins obtainable forced the company to continue rationalising production facilities involving further plant closures. Over the last two years difficulties in the market for inks led the group to reappraise the organisation of the division. Considerable authority is now devolved to a number of independent specialist operating units.

The directors consider that this new structure will lead to a more tightly controlled and responsive operation which will be better able to meet the challenges of the market place.

Ault and Wiborg Italia, which was not consolidated in the first half of 1982, adversely affected the results of the first half by £160,000. The directors are confident that this operation can be turned round by the introduction to the Italian market products successful in this country, leading to the expansion of its business in Europe.

On July 1, 1983, agreement was reached with Donald Macpherson Group for the purchase of its wholly owned subsidiary, Sherwood Parsons.

Sherwood Parsons, a manufacturer of vehicle refinishes, will continue to operate separately in that market.

Turnover for the period, £31.68m (£31.11), was approximately the same as for the corresponding period after eliminating £556,000 relating to the industrial finishes business, sold in May 1982. And, also, without taking into account turnover of Ault and Wiborg Italia in 1983.

● comment

Poor figures from Ault & Wiborg sent the shares skidding 6p to 33p which against a high for the week of 57p made it one of the worst performers on the Stock Exchange. However, the share performance has more to do with the breakdown of talks with Sun Chemical than A&W's trading performance, which showed a 76 per cent reduction in pre-tax losses against the last half of 1982. Take out redundancy costs and £170,000-worth of unremitted earnings mouldering in Lagos and the pre-tax figure swings from loss into a £156,000 profit. The Italian subsidiary, consolidated for the first time, continues to be a debt burden, although it is profitable at the trading level and should break even before tax in 1984. The group is sanguine about the Italian losses, since the subsidiary provides an important entree to the southern European car finishing paint market. Meanwhile, debt continues to creep up and now stands at £13m—or 90 per cent of shareholders' funds. The increase was to finance most of a £1m investment in new chemicals products and improvements in operating efficiencies plus the initial costs of the £2m acquisition of the Sherwood Parsons vehicle refinishing company. A&W's main aim for the second half is to reduce debt by improving cash collection, reducing inventories, and keeping its fingers crossed that Nigeria will release its funds. But the company admits that it is unlikely to get gearing down to the year-end level of 70 per cent in 1983. Assuming no decrease in the final dividend, the shares yield 4.7 per cent.

Sturla heavily qualified

BY DAVID DODWELL

The full extent of the traumas inside Sturla Holdings, the finance group, over the past two years came to light yesterday with the publication of a long delayed and heavily qualified set of accounts showing net losses of almost £2.2m.

The accounts, covering the 15-month period to April 30 1982, show profits before exceptional items of £757,000. But after exceptional items of £1.2m and extraordinary items of over £1.74m, shareholders were told of a net loss of £2.18m.

Chairman Mr David Britton warned that losses for the latest financial year, ended last April, are likely to be even higher, reflecting "a very difficult period in the company's history." Figures are to be presented to shareholders at the annual meeting, scheduled for September 8.

At the same time, he assured shareholders that 1982-83 represents the nadir of the company's fortunes, with a significant improvement in performance in the new financial year. He hoped that dealings in the company's shares—which were suspended in March at 6p—would be resumed during October, after a number of transactions currently being worked on have been unveiled.

Attaching heavy qualifications to the report, accountants Stoy Hayward said that accounting records "were not sufficient to show and explain the group's transactions."

Because the group "was dependent on the continuing support of its bankers and major creditors," Stoy Hayward said it could not say whether it was appropriate for Sturla's financial statements to be prepared on a going concern basis.

It also drew shareholders attention to the fact that Mr Robert Knight, who resigned as the company's chairman at an extraordinary meeting in June, "had failed to respond to requests to provide full details of items requiring disclosure under the Companies Acts."

Mr Britton, who became chairman on Mr Knight's resignation after working as the company's managing director, noted in his statement that Mr Knight, together with his personal assistant Mrs Rhonda Davis, had been charged in March with conspiracy to defraud Sturla and its shareholders.

"It was necessary to establish as quickly and as precisely as possible the extent to which agreements and commitments had been entered into by Mr Knight, to assess the company's exposure with regard to such matters," he reported.

Claiming that he was "now aware of all possible liabilities of any significance," he said that the net effect of these—and of the poor trading in 1982, will be that net asset value will be "marginally lower."

"The cost in loss of productive effort, caused by diverting attention to maintaining the company's position during the time of considerable management conflict and legal activity, can never be calculated," he said. "The loss of confidence which took place during 1982 will also take time to recover."

He nevertheless revealed that Chemco Leasing, a subsidiary of Chemical Bank, had funded a £6m acquisition of two leasing companies, and felt these were a good foundation

MINING NEWS

Higher gold output boosts Northgate

BY GEORGE MILLING-STANLEY

THE STRONGER trend in metal prices and an increase in gold production gave Canada's Northgate Exploration operating profits of C$6.3m (£3.5m) for the first half of 1983, compared with a loss of C$61,000 in the corresponding period of last year.

After interest and other expenses and a small tax credit, the net result for the period was a loss of C$$30,000, against a net loss of C$11.87m last time.

The latest results include gains from the issue of treasury shares by subsidiary and associated companies, and reflect lower interest rates, a stronger Canadian dollar and increased investment and sundry income.

Working capital at the end of the half-year was almost C$23m, compared with just C$3.7m at the end of December last year. The bulk of the increase was accounted for by the share issue in May, which raised a net C$19.4m.

Gold output from the Copper Rand and Portage mines in the Chibougamau area of Quebec rose by 4,200 oz to 31,400 oz. Total group gold production, including the Lemoine mine which closed on March 30, was 32,700 oz, compared with 30,300 oz in the first half of last year.

The three mines also produced a total of 13.3m lbs of copper, down from the 15.3m lbs at the same stage of 1982.

Northgate is hoping that gold production this year will exceed 60,000 oz for the first time, against 56,000 oz last year. Output could be even higher next year, as the company is pressing ahead with an ambitious plan to double the Portage mine's milling rate to 360,000 tons of ore a year.

This expansion should be completed by the middle of 1984 at an estimated cost of C$4.2m.

EZ plans fund raising

AUSTRALIA'S EZ INDUSTRIES plans to raise around A$63.25m (£37m) from a share placement to be organised through the Melbourne brokers Potter Partners.

EZ will issue up to 11m shares at a price of A$5.75, which compares with yesterday's Melbourne closing level of A$6.14

The group, which has interests spanning lead and zinc mining and refining, precious metals and uranium, said yesterday that it will use the new cash for general development purposes.

The new shares will not be entitled to the final dividend to be declared for the financial year which ended on June 30, but in all other respects will rank with the existing shares.

EZ has had a tough time in recent years, with low prices for most of its products and severe labour problems at its Tasmanian base, but things seemed to be coming right in the first half of this year.

Net profits for the six months were A$12.5m, up from A$5.6m in the first half of the previous year, largely because of a sharply higher contribution from the uranium interests. These are held through the 30.5 per cent stake in Energy Resources of Australia which operates the big Ranger mine in the Northern Territory.

In addition, the new Elura lead-zinc-silver mine in New South Wales came on stream. Full-year results, which should be available shortly, are awaited with interest.

Philippines groups do better

IMPROVED METAL prices and tight control of production costs have helped four of the biggest mining groups in the Philippines to report better performances in the first half of this year.

Three of the groups, Atlas Consolidated Mining and Development, Lepanto Consolidated Mining and Marcopper Mining, all managed to report profits in the latest period, compared with losses in the first half of 1982, reports Leo Gonzago in Manila.

Atlas, the biggest metals producer in the Philippines, turned in net income of Pesos 94.2m (£5.8m) in the six months to June 30 compared with a loss of Pesos 257.5m last time.

Lepanto had net profits in the period of Pesos 55.8m, against a loss of Pesos 25m, and Marcopper recorded net profits of Pesos 15.1m after a loss of Pesos 48.4m last time. All three produce copper concentrates with gold and silver by-products.

The fourth group, Benguet Corporation, achieved net profits in the latest period of Pesos 132.2m, compared with a profit in the first half of 1982 of Pesos 31.1m.

Benguet produces gold with silver as a by-product from its own mine, and copper concentrates and chromite of direct shipping grade from the properties of other companies which it operates under contract.

Kidd Creek

HIGHER SALES volumes during the second quarter of the year returned Canada's Kidd Creek Mines to profit, after a loss of C$3.6m (£2m) in the opening three months.

The company, a wholly-owned subsidiary of Canada Development Corporation, made a net profit in the three months to June 30 of C$900,000, which cut the loss for the first six months of the year to C$2.7m against a loss of C$13.7m at the same stage of 1982.

BIDS AND DEALS

Comben's £8m agreed bid for Whittingham

BY DAVID DODWELL

THE Comben Group, estate developer and house builder, emerged yesterday with an agreed £8.3m bid for William Whittingham, the Wolverhampton housebuilder approached at the end of July by Milbury, the company controlled by Mr Jim Raper.

Comben will be tapping earnings from a £7.2m rights issue mounted in March this year to finance the offer, which amounts to 130p for every ordinary Whittingham shares, and 80p for every 5.25p per cent £1 cumulative redeemable preference share.

The bid compares with Milbury's 83p offer for a maximum of 30 per cent of Whittingham's ordinary shares.

The Comben offer is conditional on Whittingham selling thte loss-making Colortrend and its subsidiaries—in which it has a controlling 80 per cent stake—to the Dixon Photographic group. Dixsons announced yesterday that it had reached agreement to buy Colortrend for £4m.

In the year to October 31 last year, Colortrend lost £154,000, against a profit of £1.78m a year earlier. The reversal played a major part in slashing pre-tax profits for the group from almost £3m to a bare £600,000.

Mr Gerard Smart, Comben's finance director, conceded yesterday that the offer had been triggered by the widely publicised approach by Mr Raper, but added: "We have known about — and been interested in — the company for many years." Whittingham's West Midlands base would expand Comben's geographical coverage, he said.

As well as tapping funds raised in the rights issue, Comben will make fresh borrowings to fund the purchase. Debts are expected to rise to about £25m, increasing the group's gearing to around 80 per cent.

Comben's shares fell 3p to 43p on news of the offer. Whittingham's shares remain suspended at 114p.

Belhaven hives off loss-maker Ashpoint

BY CHARLES BATCHELOR

Belhaven Brewery Group has sold its plastic packaging subsidiary Ashpoint to its management for at least £600,000 cash in a deal which will free the company of its major loss-making activity.

Belhaven, brewer and leisure group based at Dunbar, East Lothian, has exchanged contracts for the sale of the company to its joint managing directors, Mr Keith Vohmann and Mr John Le Hellidu.

Mr Eric Morley, Belhaven chairman, said manufacturing did not fit in with the group's other activities and described the sale as "the biggest filip we have had."

However, the news had no impact on the company's shares which closed at an unchanged 30p yesterday.

The sale will produce a guaranteed payment of £600,000 in the form of the repayment by Ashpoint to Belhaven of a £500,000 intragroup loan, and £100,000 in cash on April 1, 1986 to meet further debts of £44,100 and for £55,900 worth of shares in Ashpoint.

Provided Ashpoint's net profits exceed £200,000 in the two years starting April 1, 1984 Belhaven will receive an additional £100,000.

Ashpoint made a pre-tax loss of £110,000 in the year ended March 31 1983 and a trading loss of £48,000 in the following four months with no indication of any change in the foreseeable future, Belhaven said.

Tarmac pays £9.6m for Charlton Sand & Ballast

BY CHARLES BATCHELOR

TARMAC, the Midlands-based quarrying and civil engineering group, has acquired Charlton Sand and Ballast Company of Shepperton, Surrey for £9.6m in the first major expansion of its aggregate reserves since it paid £40m for Hoveringham Gravels in October 1981.

Mr Graeme Odgers, Tarmac's finance director, said: "This is consistent with the two main lines of our strategy for our quarry products."

It is a further development in the South where we have been rather weak and it brings us more heavily into sand and gravel whereas before we were heavily concentrated on the stone side."

Tarmac, which is based in Wolverhampton, will pay for the privately-owned Charlton company by the issue of 761,038 new shares, and an issue of £2.7m of 1983-84 convertible unsecured loan notes with the balance in cash.

Charlton will give Tarmac access to aggregate reserves less than three miles from the London orbital motorway, the M25, in which it is involved on a number of contracts.

The purchase is an important move for Tarmac given the competition between construction groups for sources of aggregate supply.

"It is generall recognised that aggregate reserves are very valuable and the appropriate price has to be bid," said Mr Odgers. "Whether it is a good deal for any particular company depends on its existing situation."

Tarmac ran into criticism after paying £40m for Hoveringham which was then capitalised at £15m but the purchase has since made a major contribution to Tarmac's results.

Tarmac uses 30m tonnes of aggregates a year and is constantly seeking to replenish its resources, Mr Odgers said. He declined to say what Charlton's reserves are.

Since the Hoveringham purchase Tarmac paid £1.5m for Morey's, an aggregates group based near Southampton in May 1982, and £2.2m for King's Asphalt in South-West England early this year.

Tarmac's shares fell 4p yesterday to 398p.

Sunlight says it is not bidding for Spring Grove

BY CHARLES BATCHELOR

Sunlight Services Group, the linen hire, laundry and industrial cleaning company, yesterday denied it was the company involved in bid talks with Spring Grove, another laundry and textile hire group.

Mr John Dixon, finance director of the Wimbledon, West London-based Sunlight, said: "There are no negotiations going on and there have been none in the past few weeks."

Spring Grove, which has seen profits slashed by the discovery of unexpected problems at St George's Group, which it acquired last year, announced on August 3 that discussions were taking place which might lead to a recommended offer for the company.

Spring Grove, based at Henley-on-Thames, Oxfordshire, and its financial advisers J. Henry Schroder Wagg, took the unusual step of saying it was unlikely the offer would be worth much more than 50p a share, several pence below its price at the time, which would price the company at £16.6m.

Spring Grove declined to comment on the bid talks yesterday, although Schroders said that the discussions were continuing with the unnamed potential bidder.

Mr Derek Netherton of Schroders said: "The discussions have made progress, but they are taking longer than we thought. I hope we can say something next week. We are still hoping for an agreed bid."

Pre-tax profits at Spring Grove fell to just £59,000 in the six months ended March 1983 from £1.29m in the comparable period following the purchase of St George's in July 1982.

St George's linen hire business incurred a substantial loss while interests also rose because of the higher borrowings due to the acquisition.

Spring Grove said in June it was very unhappy about the financial position of St George's and pointed to a lack of management control at the company for which it paid £7.6m.

Sunlight's shares rose 3p to 169p yesterday, while Spring Grove was an unchanged 58p.

65p approach to Harold Ingram

A Liechtenstein company emerged yesterday with a £1.95m offer for Harold Ingram, the designer and manufacturer of knitted garments. But in yesterday's trading Ingram's shares jumped 85p to 165p, valuing the company at £5.4m.

In a series of moves Mr and Mrs Harold Ingram, chairman and managing director and assistant managing director respectively, announced yesterday afternoon that they had agreed terms for the sale of their total combined holdings of 1.69m ordinary shares, amounting to 52.26 per cent of the total share capital, to Wasskon Establishment, a Liechtenstein company, at 65p per share.

Wasskon is making an offer for the rest of the capital at the same price.

Later, during the afternoon, it was announced that stockbrokers Savory Milln and Co had yesterday purchased on behalf of Mr Ingram 25,000 shares in Ingram at 164.25p each. The brokers also purchased 25,000 shares for Mrs Ingram at an average price of 164.25p per share.

Mr G. Ward, a director, has sold 20,000 Ingram shares at 173p per share, reducing his holding to 11,600.

WHESSOE

Colguy Holdings has acquired 100,000 ordinary shares in Whessoe which increases the holding to 2.97m ordinary shares, equivalent to 16.44 per cent.

Results due next week

Unilever's first quarter figures were lacklustre. There is no reason to suppose that the results for the six months to June 30, to be announced on Tuesday, should not also be dull. Flat trading conditions in most of Western Europe—which accounts for some 60 per cent of sales—and a continuing squeeze on exports to Nigeria and Francophone West Africa point to another decline. Analysts' forecasts suggest a dip from the previous interim's £377.8m pre-tax profit to something between £355m and £365m. The uncertainty is over the size of exceptional losses resulting from the reorganisation of Bird's Eye Walls and whether these will be offset by the sale of Unilever's remaining stake in International Stores. A strong economic recovery in Europe in the second half could pull the year's profits above 1982's £725.4m.

The range of estimates of Royal Insurance's pre-tax profits for the half-year to June, to be announced on Tuesday, seems to mirror the uncertainty of that sector: analysts' projections start at £34m and extend all the way to £50m. Last time round Royal made £32m pre-tax. The consensus is that underwriting losses worldwide increased from £94m to £110m-£115m, with the deterioration in the U.S. outweighing small improvements from the UK and Canada. An underlying growth of about 7 per cent in investment income to about £140m, is widely expected. For the year as a whole, analysts seem to be more united, with £110m pre-tax predicted. A ½p rise in the interim payout to 10½p net seems most likely.

Transport Development Grup's steel reinforcement companies in the U.S. are still feeling the chill of recession. That, coupled with Australia's economic problems, leads analysts to forecast only a marginal increase in pre-tax profits to around £10m for the six months to June 30 due to be announced on Monday. In the previous first half, TDG made £8m on a turnover of £164.2m. The main source of growth should be in the UK, where the haulage business has increased its operating efficiency and is well placed to respond to an upturn in consumer demand for goods and services. Likewise, an increase in business confidence leading to stock rebuilding could well benefit both rates and volumes on the storage side. If Australia and U.S. steel reinforcements pick up in the second half, TDG could show a 20 per cent increase in profits—in line with the 1982 increase—to around £22m for the year As with the past three interims, the dividend is likely to remain unchanged.

Corah's interim figures to June, to be revealed on Thursday, should show pre-tax profits of around £1.7m, against the comparable period's £1.42m. On the back of the upsurge in consumer spending in the High Streets, Corah will have experienced some steady volume growth. With the new dyehouse on stream, some margin improvement will be coming through as energy costs are reduced. The modernisation led to an exceptional cost of £350,000 in the second half of last year. With that out of the way, the full year should witness pre-tax profits of about £3.6m. The current expectation is that the Marks and Spencer supplier will hike the annual net payout to at least 3.8p per share.

Other interim results due next week include those of Horizon Travel on Wednesday, and on Thursday those of Johnson Group Cleaners and Anglo American Industrial Corporation. Also on Thursday Philips Lamps will be reporting figures for the second quarter.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allen, W. G. and Sons (Tipton)‡	Thursday	0.8	2.308	—
Copson, F.	Thursday	—	1.5	—
Cowan, De Groot	Tuesday	1.0	1.0	1.0
E.I.D.-Parry (India)†	Wednesday	—	—	—
Gelfer, A. and J.	Thursday	1.7	2.4	1.8
Group Investors	Wednesday	1.1	2.1	1.1
Heelamat Holdings	Tuesday	2.0	3.6	2.0
Howard Shuttering	Monday	—	—	—
Impala Platinum Holdings	Monday	‡25	60	25
McKay Securities	Thursday	1.25	1.5	1.65
Meat Trade Suppliers	Monday	1.75	5.0	1.75
Mining Supplies	Thursday	—	0.1	—
M L. Holdings	Wednesday	2.0	5.0	2.0
Newmark, Louis	Thursday	4.0	7.5	4.5
Pifco	Friday	1.75	2.52	1.75
Press Tools	Friday	0.8	1.2	0.8
Restmor Group	Tuesday	0.5	5.0	1.0
Scottish English and European Textiles	Wednesday	1.0	2.3	1.0
Sungei Besi Mines Malaysia¶	Monday	65	120	—
Vibroplant	Monday	5.25	9.275	2.625
Victor Products	Thursday	1.5	2.75	1.6
Waring and Gillow (Holdings)	Thursday	1.5	0.5	0.75
Wholesale Fittings	Friday	1.21	3.23	1.33
INTERIM DIVIDENDS				
Adams and Gibbon	Wednesday	—	—	
Albright and Wilson	Monday	—	—	
Anglo American Industrial Corpn.	Thursday	155	125	
ASGA AB	Monday	54	5	
Ayrshire Metal Products	Monday	—	—	
Baynes, Charles	Friday	0.25	[illegible]	
Benford Concrete Machinery	Friday	0.375	[illegible]	
British Dredging	Monday	—	1.0	
Clarke, T.	Wednesday	[illegible]	[illegible]	
Corah	Thursday	[illegible]	2.0	
Gaskell Broadloom	Wednesday	1.0	2.5	
Glanfield Lawrence	Wednesday	—	—	—
Hill and Smith Holdings	Thursday	[illegible]	[illegible]	
Horizon Travel	Wednesday	[illegible]	[illegible]	
International Inv. Trust Co. of Jersey	Monday	—	—	
Johnson Group Cleaners	Thursday	[illegible]	[illegible]	
[illegible]	Wednesday	[illegible]	[illegible]	
Philips' Lamp Holdings	Thursday	[illegible]	[illegible]	
Royal Insurance	Tuesday	[illegible]	[illegible]	
Scottish Eastern Investment Trust	Tuesday	[illegible]	[illegible]	
Stenhouse Holdings	Thursday	[illegible]	[illegible]	
Squirrel Horn	Thursday	[illegible]	[illegible]	
Thomas Nationwide Transport	Monday	[illegible]	[illegible]	
Transport Development Group	Monday	[illegible]	[illegible]	
Unilever	Tuesday	[illegible]	[illegible]	
Westminster Property Group	Wednesday	—	0.525	

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Results cover 18 months and are in Rs. ‡ Results in cents. § Results in SKr. ¶ Figures in Malaysian dollars.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Norcros, the building products manufacturer, launched a £63.7m bid for **UBM Group**, the builders' merchants, but the offer was immediately rejected as inadequate and completely unacceptable. Norcros is offering five of its own shares plus 517p cash for every eleven UBM shares, valuing the latter at 107½p each. UBM's share price jumped to 122p in anticipation of an improved, or counter, bid.

Dalgety agreed to buy the agricultural services division of **Ranks Hovis McDougall** in a deal worth £42m. Earlier Dalgety announced the dilution of its holdings in New Zealand with the merger of its subsidiary there with Crown Consolidated in a deal which will net Dalgety £15m.

Taddale Investments, the unlisted industrial holding group, made an agreed bid worth £3.1m for **Branon**, the officially listed oilfield services and construction company. Taddale, which is at present traded on the over-the-counter market by Harvard Securities, will at the same time apply for a full listing on the Stock Exchange and also make a rights issue to raise a net £6.4m. Branon's shares moved up to 65p on the share exchange offer; there is a cash alternative worth 60p per share.

Private company **Ivorbeam** and associates agreed to purchase 4m ordinary shares, about 31 per cent, of **Pennine Resources** from Candecca Resources at 30½p per share. Ivorbeam is obliged, under the City Code, to bid for the outstanding 9m Pennine shares at the same price, but Pennine's share price jumped 11 to 37p on the news.

On Monday, **Helical Bar**, the steel reinforcements manufacturer and steel stockholder, received a preliminary approach from an unnamed party which could lead to an offer for the company. Helical Bar shares touched 70p following the announcement before closing a net 17 up on the day at 65p.

Dealings in **William Whittingham**, the housebuilding and property development concern, were suspended on Thursday at 114p. The suspension followed the announcement that one of the two companies behind recent takeover overtures had made a firm offer.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
AE	68½	64½	36	67.28	GKN
Benn Bros¶	262	208	185	17.57	Extel
Branon	60*	62	58	1.84	Taddale
Crosby House	178	180	169	2.44	Int Inv Trust
Drake & Scull	121§§	115	85	22.15	Simon Eng
Globe & Phoenix	70*	70	60	0.62	African Lakes
Huntleigh	2223	222	203	32.03	Flight Refuelling
Ingram (H.)	65*§	165	90	1.02	Wasskon
Ins Cpn of Ireland	300§	257	224	156.27	Allied Irish
KCA Drilling	37*§	40	38	29.6	Rosshold
Pennine Res	30½*	35	26	3.96	Ivorbeam
Rediffusion	463§	420	353	143.9	BET
UBM Grp	107§§	122	99	62.74	Norcros
Waddington (J.)	268	254	204	16.72	BPCC
Whittngh'm (W.)	130*	114††	114††	8.11	Comben Gp

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on August 12 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aquis Securities	June	184	(388)	0.45	(0.4)
Bairstow Eves	June	817	(421)	0.81	(0.13)‡
SBOC	June	64,800	(74,800)	—	(—)
Braime, T.F.&J.H.	June	53	(69)	1.5	(1.5)
Commerc'l Union	June	30,400	(14,300)	4.85	(4.85)
Davies & Metcalfe	June	715	(623)	0.63	(0.57)
East Lancs Paper	June	356	(443)	1.66	(1.66)
Edinburgh Secs	June	329L	(215)L	—	(—)
Ellerman Lines	June	1,240	(4,310)L	—	(—)
General Accident	June	35,600	(6,500)	8.0	(7.5)
Grovebell Group	May	304	(159)	0.82	(0.75)
Heyw'd Williams	June	1,000	(1,211)L	2.0	(—)
Howard Machin'y	April	146L	(519)L	—	(—)
Manchester Ship	June	1,560	(650)	6.3	(—)
Nat'nal Freight**	June	4,500	(—)	2.5	(2.5)
Ocean Transport	June	900L	(13,900)	2.2	(4.4)
Plessey††	July	38,200	(31,500)	—	(—)
Ratcliffs (GB)	June	82	(87)	0.75	(0.75)
Relyon	June	1,030	(774)	5.04	(3.78)
Rotaflex	June	605	(410)	0.9	(0.6)
Ryl Dutch Shell‡‡	June	621	(380)	—	(—)
Securicor	Mar	5,190	(4,620)	0.44	(0.4)
Security Services	Mar	4,240	(3,870)	0.9	(0.82)
Smith & Nephew	June	19,020	(14,990)	1.4	(1.18)
TI	June	6,200	(3,900)	2.5	(2.5)
Ultramar	June	70,100	(85,900)	6.0	(5.5)
Weeks Petroleum	June	3,490	(5,200)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where indicated. † Results for 15 months to December 31, 1982. ‡ Interim dividend for current year has been adjusted for a three for four scrip issue. § Figures for 9 months. ** 36 weeks up to June 11. †† Figures for 13 weeks to July 1. ‡‡ Figures for second quarter.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aaronson Bros	Mar	1,000	(535)	0.9	(0.45)
Anglo Nord Hlgs	May	266	(53)	0.4	(—)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AGB Research	Apr	6,040	(5,010)	12.8	(9.7)	7.0	(6.0)
Cooper Ind	Apr	189L	(40)	—	(—)	0.5	(0.5)
County Properties	Mar	53L	(129)	—		—	(—)
Crouch Group	Mar	3,450L	(578)	—	(12.2)	—	(—)
Dwek Group	Dec	72L	(58)	0.4	(0.7)	—	(—)
English Ass'n	Jun	1,950	(1,940)	11.7	(11.7)	2	(1.82)
GKN	Jun	38,100	(30,500)	6.9	(5.5)	4.0	(4.0)
Jackson, William	Apr	1,360	(1,060)	34.9	(48.4)	—	(—)
Kennedy Brookes	Apr	395	(189)			0.53	(0.53)
McLeod Russel	Mar	1,980	(621)			10.0	(7.5)
Osprey Assets	Jun	78	(67)	—	(—)	1.8	(0.5)
Reardon Smith	Mar	8,790L	(129)L	—	(—)	—	(—)
Sekers Int'l	Mar	130	(235)	1.3	(2.0)	—	(1.0)
Utd Guar Hldgs	Dec	†105	(158)L	2.0	(—)	0.75	(—)
Utd Packaging	Apr	1,000	(987)	14.3	(18.5)	1.55	(—)
Star Computer	Apr	1,070	(822)	16.2	(11.5)	2.5	(2.0)
Wight Collins	Apr	516	(161)	9.5	(6.2)	2.75	(—)

Rights Issues

Parkdale Holdings is raising £1m by way of a 1 for 1 rights issue at 20p per share.

Parkfield Foundries is raising £200,000 by way of a 2 for 3 rights issue at 11p per share.

Offers for sale, placings and introductions

Real Time Control coming to USM by way of a placing of 1,75m shares at 148p each.

APPOINTMENTS

RTZ duputy chief executive

Mr Derek Birkin, has been appointed deputy chief executive of RIO TINTO ZINC CORP. Mr Birkin is chairman of Tunnel Holdings, which was acquired by RTZ in January 1982.

★

MINSTER BANK. In this newly-created position he will have overall responsibility for press relations, advertising and publicity, video production, staff publications and the bank's custoer magazine. He was chief press relations manager.

★

Dr S. L. Simpson, chairman of S. SIMPSON, died on August 3. He is succeeded by **Mr Johnny Mengers**, managing director and deputy chairman. Mr Mengers continues as managing director.

Mr Andrew Satterly has been appointed managing director of ESPLEY-MANSTON. He was with Compton Buildings.

★

WALTER ALEXANDER AND CO (COACHBUILDERS), Falkirk, subsidiary of Walter Alexander has appointed **Mr Wesley Keys**, director of production and engineering, as managing director from October 1. He succeeds joint managing directors **Mr James Hamilton** and **Mr Ray Braithwaite**, who will both continue to hold positions in the group. Mr Braithwaite will continue as an executive director until March 1984, when he will become a non-executive director and will support sales and marketing in the UK and overseas. He will continue as a director of Walter Alexander (Far East). Mr Hamilton, group managing director of Walter Alexander, is to continue in that post.

★

Mr Hugh T. Nicolson, deputy chairman, has retired from the board of ENERGY FINANCE AND GENERAL TRUST HOLDINGS. **Mr J. A. Cooper** has been appointed executive deputy chairman and **Mr I. B. McCorquodale** as non-executive deputy chairman.

★

Two assistant directors have been appointed directors of BUTLER TILL. They are **Mr Stuart Mackenzie** and **Mr Colin G. Taylor**. **Mr David Pippard** has been appointed to the board of Guy Butler (Holdings).

★

Mr John Du Cane and **Mr Ronald Utiger** have been appointed non-executive directors of ULTRAMAR. Mr Du Cane was chief executive of BP Minerals International in 1980 and 1981. He is currently a non-executive director of Amax Inc. Mr Utiger is deputy chairman and group managing director of the TI Group. He was chairman of BNOC in 1980.

★

Mr David James is joining the board of ELECTRCOMPONENTS as an executive director on September 1. He was vice president, international marketing for A. B. Dick based in Chicago.

★

Major General Sir Philip Ward has been appointed a regional director of the southern regional board of LLOYDS BANK. He is a director of Gilbey Vintners and Morgan Furze.

★

Mr David Holmes has been appointed deputy managing director of WARD LOCK. He joined Pentos in April as special projects editor for Ward Lock.

LADBROKE INDEX
716-723 (−5)
based on FT Index
Tel: 01-493 5261

THE YOUNG COMPANIES INVESTMENT TRUST has appointed **Mr G. Malcolm Murray** as chairman.

★

Mr Jonathan Hoare has joined VALIN POLLEN as business development director from the Economist where he was advertisement manager for UK and Europe.

★

Mr J. M. Bremner, currently export director for WHITE HORSE DISTILLERS, will be senior export director from September 1. He succeeds **Mr Andrew Dewar-Durie** who is leaving to take up another appointment in the Scotch Whisky industry.

★

Mr R. A. Staff has been appointed senior polymers director and director responsible for all CRODA INKS operations worldwide. He is a director of Croda Polymers International, a principal subsidiary of Croda International.

★

Mr John Kerslake, at present BARCLAYS BANK INTERNATIONAL'S regional general manager for Asia, has been appointed general manager (staff) from December 29 in place of **Mr Robert Harvey** who is retiring. **Mr Alastair Robinson**, vice-chairman and chief executive officer of Barclays American Corp, has been appointed regional general manager for Asia from January 1, 1984.

★

Mr Trevor Adamson has been appointed senior communications executive for NATIONAL WEST-

Mr Roger Lewis has been appointed group chief executive of CREST NICHOLSON. He has been chief executive of the company's property division for eight years. **Mr Anthony Fay** has been appointed deputy chief executive of the group in addition to his current role as chief executive of the commercial and industrial division.

★

Mr Ronald A. Noakes, previously an assistant general manager, has been appointed controller of correspondent banking at MIDLANK BANK INTERNATIONAL. He succeeds **Mr Peter J. W. Taplin**, who has been made controller of policy and planning group. **Mr Charles D. H. Bryant** has been appointed regional manager (Europe). This follows a reorganisation of the bank's European structure, involving integration of four London-based regional management teams into one unit. He was previously senior executive, City section at Midland Bank International. **Mr Alan J. Jewell** has been appointed senior executive, correspondent banking, northern Europe. He was previously general manager's assistant to Mr Herve de Carmoy. **Mr Neil C. Johnson** becomes senior executive, correspondent banking, southern Europe. He was previously foreign manager, southern Europe.

★

Mr Ian Paterson has been appointed chief executive of FORWARD TRUST GROUP from October 1. He is currently deputy chief executive. His appointment will coincide with the departure of the present chief executive, **Mr Brian Goldthorpe**, who becomes a director of the parent company, Midland Bank.

★

Mr Abdul Ghafar Baba and **Mr Eng Chin Ah** have been appointed to the board of DUNLOP HOLDINGS as non-executive directors. Mr Baba is chairman of Pegi Malaysia Bhd, and Mr Eng is chief executive of Eastwind Holdings Sdn.Bhd., controlling shareholder of Pegi.

★

Mr M. L. Browne has become chief manager, UK and Europe, of the NATIONAL AUSTRALIA BANK in place of **Mr T. M. Robinson** who has returned to Queensland as an assistant state manager. Mr Browne previously served in Hong Kong where he was managing director of Australia Japan International Finance in which National Australia Bank has a 50 per cent interest.

★

VALIN POLLEN has appointed **Mr Stephen Anson**, **Ms Leslie Clarke** and **Mr Robert Mitchelmore** as associate directors from July 1. Mr Anson joined as account director and group head in December 1981 specialising in the agency's Scandinavian business. Ms Clarke joined VP as the company's first accountant in July 1980. Mr Mitchelmore joined from DWK in October 1981 to create the media department.

★

Mr R. M. Swinchatt, group chief accountant, has become finance director of GILL & DUFFUS.

★

CARPETS INTERNATIONAL has appointed **Mr Clive Bridges** as company secretary. He succeeds **Mr Norman Grimshaw**, who retires. Mr Bridges is assistant company secretary and secretary of the two principal operating subsidiaries—Carpets International (U.K.) and Carpets International Overseas.

★

Mr Michael T. J. Wallis, a general manager, MIDLAND BANK, responsible for corporate finance division, has been appointed as general manager (credit). **Mr John E. Bennett**, an assistant general manager, has been appointed a general manager responsible for corporate finance division.

J. HEPWORTH & SON has appointed **Mr George Davies** managing director of Next as retail managing director for the group. Mr Davies is also responsible for the overall direction of Hepworth (Retail), following the departure of **Mr Bob Russell**, managing director, who has left the group.

★

Mr Geoffrey Bowling and **Mr Richard Tickner** have been appointed executive directors of SAMUEL MONTAGU, both were assistant directors. **Mr Jon Young** and **Mr Adrian Fletcher** have also been appointed executive directors of Samuel Montagu. **Mr Jim Dominguez** (Australia) has been appointed a non-executive director.

★

Mr Leslie N. Draycott has been appointed chairman of the SUSSEX MUTUAL BUILDING SOCIETY succeeding **Mr John Kempster Butler** who becomes president.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$375	—	—	—	—	10	63	$414
GOLD C	$425	—	—	24	15	17	31.50	"
GOLD C	$450	10	0.50	10	11	—	—	"
GOLD C	$475	—	—	20	6.50	—	—	"
GOLD C	$500	—	—	20	3	—	—	"
GOLD C	$550	—	—	20	1.20	—	—	"
GOLD P	$400	13	0.50	5	10	—	—	"
GOLD P	$425	8	15	2	13	3	22	"
GOLD P	$450	—	—	—	37	—	—	"
		Sept.		Dec.		March		
SILV C	$10	—	—	5	23.5	—	—	$11.81
SILV C	$11	17	1.05	2	1.70	10	2.15	"
SILV C	$12	15	0.49	20	1.14	16	1.65	"
SILV C	$13	13	0.25	2	0.77	24	1.25	"
SILV P	$12	—	—	—	—	23	1.20	"
		Oct.		Jan.		Apr.		
AKZO C	F.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.76.40
KLM C	F.140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.159.80
PHIL C	F.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.49.50
RD C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.145.80
UNIL C	F.200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.203.5
		Aug.		Nov.		Feb.		
12½ NL 81 87-91		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.122.70
10 NL 82-11 86-89		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.104.80
9½ NL 83 87-90		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.102.50
7¾ NL 82 89-93		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.93.70

TOTAL VOLUME IN CONTRACTS: 13,328
A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*438)						
300	144	—	—	2	—	—
330	114	—	—	3	—	—
360	84	92	—	3	7	—
390	58	64	76	5	12	18
420	34	42	54	14	20	30
460	14	22	34	34	44	52
Cons. Goldfields (*572)						
460	125	—	—	1½	—	—
500	87	97	—	3	7	—
550	45	65	77	19	27	33
600	19	38	50	47	54	60
Courtaulds (*100)						
60	39	—	—	½	—	—
70	29	33	—	1	2	—
80	20	24	—	2	3	—
90	12	15	—	3½	6	—
100	5	8	—	8	11	—
110	4½	7½	10	12	14	15
Commercial Union (*163)						
120	45	—	—	1½	—	—
130	35	—	—	1	—	—
140	26	30	34	3	6	9
160	12	17	21	8	14	17
180	4	9	—	24	28	—
G.E.C. (*210)						
180	40	—	—	2	—	—
200	22	30	38	6	9	11
220	11	18	26	16	20	24
240	4	10	16	33	34	36
260	2	5	10	50	50	50
Grand Met. (*334)						
300	38	50	—	4	6	—
330	18	30	40	12	18	22
360	7	14	25	33	35	38
390	3	6	13	62	64	66
I.C.I. (*548)						
360	186	—	—	1	—	—
390	156	—	—	1	—	—
420	126	140	—	1½	3	—
460	86	104	—	2	7	—
500	52	68	82	7	14	18
550	22	38	50	26	34	42
600	8	18	28	64	72	76
Land Securities (*295)						
260	40	—	—	1	—	—
280	23	33	39	4	8	12
300	11	21	28	13	17	22
330	4	9	—	36	40	—
Marks & Spencer (*201)						
180	28	35	41	4	5	9
200	15	24	30	8	12	13
220	4	8	12	23	26	30
Shell Transport (*530)						
460	173	180	—	2	4	—
500	132	140	—	3	7	—
550	82	92	102	5	12	16
600	40	54	64	16	26	34
650	16	30	40	54	44	52

Option	Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Barclays Bank (*499)						
420	80	—	—	5	—	—
460	42	57	65	15	20	27
500	22	32	42	33	42	47
550	7	16	22	70	75	80
Imperial Group (*117)						
110	13	18	20	4	5	6
120	6	11	12	9	11	12
130	3	5	—	16	17	—
LASMO (*373)						
270	110	—	—	—	—	—
280	100	112	—	4	5	—
300	85	90	—	5	10	—
330	60	70	78	12	18	22
360	35	48	55	25	30	35
Lonrho (*104)						
80	24	—	—	1	—	—
90	15	18	—	2	4	—
100	7	11	12	5	7	9
110	3	6½	8	13	15	16
P. & O. (*205)						
140	68	—	—	1	—	—
160	48	—	—	1	—	—
180	30	39	—	4	7	—
200	17	25	32	10	14	16
220	8	17	21	23	25	26
Racal (*474)						
460	42	50	74	17	28	27
500	26	37	50	45	47	52
550	5	18	—	82	84	—
600	3	—	—	132	2	—
R.T.Z. (*584)						
500	140	147	—	2	5	—
533	110	120	—	3	7	—
550	80	95	—	7	12	—
600	61	77	—	16	20	—
650	37	46	—	35	40	—
650	26	32	44	42	47	67
Vaal Reefs (*128)						
90	38½	—	—	½	—	—
100	29	—	—	1	—	—
110	21	27½	—	4½	7½	—
120	14½	20	23	8½	13	15½
130	9	13½	16½	14	18½	21
140	5	8½	—	19	23	—
Beecham (*348)						
330	30	45	55	6	12	16
360	15	28	40	15	25	30
385	5	12	22	40	45	50
415	1	6	12	67	70	—
Guest Keen (*182)						
135	52	53	—	1	3	—
155	32	35	—	1½	5	—
160	—	—	37	—	—	9
175	15	21	—	6	10	—
180	—	—	25	—	—	16
200	5	11	15	22	24	29

Aug. 12 Total Contracts 2,681 Calls 2,075 Puts 606
* Underlying security price.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel	§9½%
Amro Bank	9½%	C. Hoare & Co.	†9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	10 %	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered	‖9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	Trustee Savings Bank	9½%
CL Bank Nederland	9½%	TCB	9½%
Canada Perm't Trust	10 %	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings	¶10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %	■ Members of the Accepting Houses Committee.	
Comm. Bk. of N. East	9½%	* 7-day deposits 6%. 1-month 8.25%. Short-term £8,000/12-month 8.8%.	
Consolidated Credits	9½%	† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.	
Co-operative Bank	*9½%	‡ Call deposits £1,000 and over 6%.	
The Cyprus Popular Bk.	9½%	§ 21-day deposits over £1,000 7%.	
Duncan Lawrie	9½%	‖ Demand deposits 6%.	
E. T. Trust	10½%	¶ Mortgage base rate.	
Exeter Trust Ltd.	10½%	‡ Money market cheque account 9.25%. Effective annual rate.	
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10½%		
Grindlays Bank	‡9½%		

WORLD STOCK MARKETS

Wall St moderately higher

MODERATELY HIGHER levels developed on Wall Street yesterday when investors found encouragement in the performance of the Bond Market and signs that inflation is being kept under control.

By mid-day the Dow Jones Industrial Average was up 6.50 to 1180.89, reducing its loss on the week to 2.40, while the NYSE All Common Index, at $93.91, rose 51 cents on the day and 31 cents on the week. Advancing issues led losses by a seven-to-four majority in a volume of 36.59m shares, against 46.73m at mid-day Thursday.

Analysts said the stock market was moving higher despite underlying concern about interest rates and rapid growth in the U.S. money supply.

The Federal Reserve will disclose the latest money supply figures after the market closes this afternoon. Economists are expecting a rise of $2bn to $3bn *in the basic money supply.*

Investors were encouraged by a report yesterday morning that U.S. wholesale prices rose only 0.1 per cent in July, down from 0.5 per cent the prior month.

Also, the Federal Reserve said that the outlook for inflation is better than any time in the past decade.

One analyst said the stock market will undergo a crucial test in the afternoon when investors must decide whether to take profits in advance of the Fed's money supply report.

He said many investors may be investing in stock in the hope that the money supply increase will not be very large.

Oils dominated the active list, with **Amerada Hess** up $1⅛ to $34 and **Petrolane** up $⅜ to $15⅜, while **Gulf Oil** were off $⅞ to $38⅞.

Metromedia gained another $30 to $455.

The American SE Market Value Index firmed 0.55 to 229.16, *but the volume decreased to* 2.79m (3.53m) shares.

Closing prices for North America were not available for this edition

Canada

Slightly higher at midsession, paced by firm Gold issues.

The Toronto Composite Index was up 4.1 to 2,391.2, Golds 69.3 to 4,639.1, Metals and Minerals 10.1 to 2,376.0 and Papers 0.89 to 202.91. But Oil and Gas shed 6.5 to 3,653.3 and Banks 0.48 to 461.42.

Analysts are recommending a number of Gold stocks, including **Lac Minerals**, that are involved in the Hemlo gold find in North Western Ontario.

Canadian Marconi were up $1¼ at $92½—a company official said this year's earnings will rise to between $4.50 and $5 a share. Last year it earned $3.72 a share.

Tokyo

Slightly higher in very quiet trading, led by selective buying of Blue Chips and "Populars."

The Market Average rose 12.11 to 8,920.82. Volume 180m (190m) shares, the smallest day's total this year.

Investors generally held off in the afternoon ahead of a two-day market holiday. Japan's Stock Markets, Banks and other Financial Institutions will close on the second Saturday of every month starting today.

International "Populars" led *the rise as many investors* believed New York share prices will begin to recover next week after a period of adjustment.

Some investors bought Export-Orientated issues which will benefit from the yen's fall against the dollar. But Oils were easier.

Germany

Prices firmed as investors digested the news from Thursday's Bundesbank Council meeting and actively sought stocks.

The decision to leave credit policies unchanged was interpreted as showing the Bundes*bank is paying sharp attention* to the economic situation in West Germany, and is unprepared to take steps to combat the dollar's strength which would damage the fragile recovery.

The Commerzbank Index of 60 *leading shares*, calculated at mid-session, rose 9.6 to 944.4.

Banks were particularly favoured, with **Bayernhypo** adding DM 11 at DM 294. **Commerzbank** were DM 2.50 higher at DM 172.50 and **Dresdner** DM 2 at DM 176.

Stores were also in demand, with **Kaufhof** rising DM 2 to DM 261 and **Karstadt** DM 4.20 to DM 271.20.

VW rose DM 2.80 to DM 215.60 and **BMW** DM 4.50 to DM 384.50.

Australia

Prices eased across the board in heavy trading but generally finished above their opening lows, due to local bargain hunting and Overseas buying.

Leading Resource stocks finished mixed and well above the worst.

Robe River rose 25 cents to $A2.35 in heavy trading after announcing earnings rose 116 per cent in the year to June 30—it is the subject of a $A2 a share takeover offer by **Pancontinental Mining**.

EZ Industries fell 36 cents to $A5.80 in active trading on its plans to place 11m shares.

WR Carpenter lost 13 cents to $A2.45 in active trading.

Hong Kong

Barely steady in fairly quiet business. The Hang Seng Index shed 3.12 to 1,037.46.

Stocks opened steady, helped by the stable Hong Kong dollar, but some late liquidations ahead of the weekend were noted.

Brokers anticipated a more *active market next week, following the flotation of* **Evergo Industrial** on August 16.

Switzerland

Domestic shares narrowly mixed in slower dealings, apart from selected Financials which eased on profit-taking.

Trading *was light as investors* remained jittery about the outlook for interest rates.

In Financials **Adia** ended Frs 50 lower at 1800, after rising Frs 30.

Motor Columbus recouped Frs 5 to 700.

Banks and Insurances continued irregular, with **Baer Holding** Frs 25 higher at 5,725.

Swiss Foreign Bonds firmed on increased volume but Domestic issues were little changed on very small turnover.

In the Foreign sector less active *Dollar* stocks were uneven. Dutch Internationals were barely steady, apart from **Akzo** which gained ground. Japanese shares were little changed. Among British stocks, **BP** and **Bowater** eased while, in South African Mining Financial, **Amgold** edged higher.

Singapore

Generally higher despite some profit taking. The Straits Times Industrial Index rose 3.60 to 934.43.

The market opened firmer on bullish sentiment following the Department of Statistics June Survey that business confidence in Singapore has reached its highest level in more than three years. The rise was not sustained, however, and the market slackened off in the afternoon on some profit-taking.

OUB shed 15 cents to S$5.25, despite higher half-year profit.

Malayan Tin Printing resumed trading at S$2.27 and fell to S$2.00 before closing at S$2.02 compared with its pre-suspension price of S$2.17.

Amsterdam

Share prices turned mainly lower in the afternoon as investors took a cautious stance ahead of the weekend.

KLM came back Fl 5.2 to 159.8, despite its improved results—dealers said this was mainly a reaction to news late on Thursday of **KLM's** plans to issue 1m new shares, mainly in the U.S.

Pakhoed advanced Fl 3 to 58.8—it will release half-year figures on August 23.

In inactives, **Wereldhave** *rose* Fl 2.50 to 158—two Dutch pension funds this week made a public offer of Fl 155 per ordinary share.

State Loans were higher.

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

SINGAPORE

GERMANY

SWEDEN

SOUTH AFRICA

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

JAPAN

Indices

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar easier

The foreign exchanges finished on a quiet note yesterday, with the dollar losing ground to most major currencies ahead of the U.S. money supply figures. Market expectations pointed to another large rise of $2bn to $3bn in the weekly M1 figure, but better news from the monthly M2 and M3 statistics. It is also expected that the recent rapid growth in M1 will slacken duirng the coming few weeks.

Despite the failure of the German Bundesbank to increase its key lending rates at Thursday's council meeting the exchanges seemed less concerned about the general interest rate picture, with some profit taking pulling the dollar down from its recent record levels. It fell to DM 2.7205 from DM 2.7315 against the D-mark; to FFr 8.1850 from FFr 8.22 against the French franc; and to SwFr 2.1840 from SwFr 2.19 in terms of the Swiss franc.

On the other hand the U.S. currency rose to Y246.50 from Y246.25 against the Japanese yen.

Sterling's trade-weighted index rose to 85.1 from 84.9, after standing at 84.8 at noon, and 85.0 at the opening. The pound rose 35 points to $1.4830-1.4840. It opened at $1.4800-1.4810, and touched a low of $1.4730-1.4740, rising to a peak of $1.4850-1.4860. Sterling eased to DM 4.0375 from DM 4.04; to FFr 12.14 from FFr 12.1625; and to SwFr 3.2425 from SwFr 3.2450, but rose in line with the dollar to Y366.25 from Y364.50.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6775	+1.73	+0.98	±1.5447
Danish Krone	8.14104	2.28044	+1.72	+0.97	±1.6425
German D-Mark	2.24184	2.28044	+1.72	+0.97	±1.0642
French Franc	6.87456	6.86082	−0.20	−0.95	±1.4052
Dutch Guilder	2.52595	2.55346	+1.09	+0.34	±1.4964
Irish Punt	0.72569	0.722308	−0.47	−1.22	±1.6699
Italian Lira	1403.49	1352.09	−3.66	−3.66	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Aug 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4730-1.4860	1.4830-1.4840	0.05-0.10c dis	−0.61	0.22-0.27dis	−0.66
Canada	1.8210-1.8350	1.8330-1.8340	0.10c pm-par	0.33	0.18-0.08pm	0.22
Nethlnd.	4.50-4.54	4.51½-4.52½	⅝-1⅛c pm	3.65	4½-4pm	3.76
Belgium	80.50-81.20	80.90-81.00	13-3c pm	1.18	27-17pm	1.09
Denmark	14.47-14.58	14.53¼-14.54¼	2½-1¼ore pm	1.55	1¾pm-par	0.13
Ireland	1.2760-1.2840	1.2775-1.2785	0.33-0.38p dis	−3.33	0.80-0.90dis	−2.66
W. Ger.	4.02-4.05½	4.03¼-4.04¼	1½-1¼pf pm	4.09	4½-3½pm	4.09
Portugal	183.00-184.75	184.25-184.75	140-435c dis	−18.70	460-1160dis	−17.58
Spain	227.00-228.30	227.50-227.70	330-490c dis	−21.62	1220-1530dis	−24.18
Italy	2,380-2,401	2,395½-2,397½	14½-18½lire dis	−7.89	45½-49½dis	−7.93
Norway	11.13-11.22	11.19-11.20	3-3½ore dis	−3.42	8½-9½dis	−3.21
France	12.13-12.20	12.13½-12.14½	3¾-4¾c dis	−4.20	15¾-17¾dis	−5.36
Sweden	11.72-11.81	11.79-11.80	1½-2¼ore dis	−1.97	3½-4½dis	−1.27
Japan	364-367	365½-366½	1.00-0.80y pm	2.95	3.00-2.80pm	3.17
Austria	28.25-28.50	28.45-28.50	11½-9½gro pm	4.40	21-26½pm	4.01
Switz.	3.22½-3.25½	3.23¾-3.24¾	1⅝-1½c pm	5.09	4½-4pm	5.24

Belgian rate is for convertible francs. Financial franc 81.20-81.30.
Six-month forward dollar 0.43-0.48c dis. 12-month 0.75-0.85c dis.

THE DOLLAR SPOT AND FORWARD

Aug 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4730-1.4860	1.4830-1.4840	0.05-0.10c dis	−0.61	0.22-0.27dis	−0.65
Ireland†	1.1550-1.1600	1.1590-1.1600	0.38-0.33c pm	3.68	0.90-0.80pm	2.94
Canada	1.2355-1.2365	1.2356-1.2360	0.11-0.07c pm	0.87	0.30-0.28pm	0.91
Nethlnd.	3.0450-3.0670	3.0450-3.0470	1.12-1.02c pm	4.21	3.37-3.27pm	4.35
Belgium	54.56-54.72	54.56-54.58	8-7c pm	1.65	24½-22pm	1.70
Denmark	9.8050-9.8250	9.8100-9.8150	2¼-1¾ore pm	2.45	3½-3pm	1.32
W. Ger	2.7200-2.7340	2.7200-2.7210	1.12-1.07pf pm	4.82	3.35-3.30pm	4.88
Portugal	124.15-124.55	124.25-124.50	90-285c dis	−18.09	290-755dis	−16.80
Spain	153.40-154.05	153.40-153.60	225-325c dis	−21.50	825-1025dis	−24.10
Italy	1,615-1,619	1,615½-1,616½	9½-10lire dis	−7.23	29-30dis	−7.30
Norway	7.5450-7.5665	7.5500-7.5550	1.70-2.00ore dis	−2.94	4.50-4.80dis	−2.46
France	8.1825-8.2300	8.1825-8.1875	2.40-2.60c dis	−3.65	9.40-9.80dis	−4.68
Sweden	7.9500-7.9675	7.9500-7.9550	0.90-1.10ore dis	−1.51	0.95-1.15dis	−0.53
Japan	246.60-147.60	246.75-246.65	0.78-0.73y pm	3.68	2.38-2.30pm	3.78
Austria	19.14-19.19½	19.14-19.15	8.40-7.60gro pm	5.01	24.25-21.75pm	4.80
Switz.	2.1820-2.1970	2.1835-2.1845	1.07-1.02c pm	5.73	3.26-3.21pm	5.91

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 54.715-54.815.

EXCHANGE CROSS RATES

Aug. 12	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.484	4.038	366.3	12.14	3.243	4.520	2397.	1.834	80.95
U.S. Dollar	0.674	1.	2.728	246.9	8.183	2.186	3.047	1615.	1.236	54.57
Deutschmark	0.248	0.367	1.	90.71	3.007	0.803	1.120	593.6	0.454	20.05
Japanese Yen 1,000	2.730	4.051	11.02	1000.	33.15	8.853	12.34	6543.	5.006	221.0
French Franc 10	0.824	1.222	3.326	301.7	10.	2.671	3.723	1974.	1.510	66.68
Swiss Franc	0.308	0.458	1.245	113.0	3.744	1.	1.394	739.1	0.565	24.97
Dutch Guilder	0.221	0.328	0.893	81.05	2.686	0.717	1.	530.2	0.406	17.91
Italian Lira 1,000	0.417	0.619	1.685	152.8	5.066	1.353	1.886	1000.	0.765	33.78
Canadian Dollar	0.545	0.809	2.202	199.8	6.621	1.768	2.465	1307.	1.	44.15
Belgian Franc 100	1.235	1.833	4.988	452.4	15.00	4.006	5.584	2960.	2.265	100.

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Funds were in short supply in the London money market yesterday, with the Bank of England adjusting its forecast of the London money market shortage from anan early level of £150m to £200m at noon, and to £250m in the afternoon.

Bills maturing in official hands, and a net take-up of Treasury bills drained £64m, while the usual pre-weekend rise in the note circulation absorbed another £230m. These factors were *partly offset by Exchequer transactions* adding £140m to liquidity.

Total help provided by the authorities was £255m, including late assistance of £15m. As part of its revised policy the Bank of England will in future publish a late figure for assistance when this amounts to £10m or more.

Before lunch the Bank of England bought £4m bank bills in band 3 (34-63 days maturity) at 9½ per cent, plus £124m bank bills in band 4 (64-84 days) at 9½-9½ per cent.

In the afternoon another £112m bills were purchased by way of £30m bank bills in band 1 (up to 14 days) at 9⅝ per cent; £50m local authority bills in band 4 at 9½ per cent, and £32m bank bills in band 4 at 9½ per cent.

LONDON MONEY RATES

Aug. 12 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits
Overnight	—	8-11	—
2 days notice	—	—	9⅛
7 days or	—	—	—
7 days notice	—	8¾-9⅛	9¼
One month	9⅜-9¼	9¼-9⅛	9⅜
Two months	9⅛-9⅞	9⅜-9½	9⅜
Three months	9⅞-9¾	9½ 10	9⅞
Six months	10¼-10¼	10⅛-10½	10⅜
Nine months	10⅛-10⅛	10⅜-10½	10⅝
One year	10½-10⅜	10¾-10⅞	10¾
Two years	—	—	11¼

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.989 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11¾ per cent; five years 11¾ per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9⅞ per cent; four months trade bills 10⅜ per cent.

Approximate selling rate for one month Treasury bills 9⅞ per cent; two months 9⅞ per cent and three months 9⅞ per cent. Approximate selling rate for one month bank bills 9⅞ per cent; two months 9⅞ per cent and three months 9⅞ per cent. trade bills 9⅞ per cent; two months 9⅞ per cent and three months 10 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10 per cent from August 1 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3775 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 10¼ per cent; six-12 months 10½ per cent. Under £100,000 9½ per cent from July 20. Deposits held under Series 4-5 9½ per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Aug. 12	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9-9¼	9-9¼	9⅛-9⅞	9⅞-9⅞	10⅜-10½	10⅞-10⅞
U.S. Dollar	9½-9¾	9⅝-9⅞	9⅞-10⅛	9⅞-9⅞	10⅞-11⅛	11⅛-11⅛
Can. Dollar	8¾-9½	8¾-9	8⅞-9⅞	9½-9¾	10⅛-10⅜	10⅜-10⅞
D. Guilder	5½-5⅝	5½-5⅝	5⅞-6	6¼-6⅜	6⅞-6⅞	6⅞-6⅞
S. Franc	1¼-1½	2-2¼	4⅛-4⅞	4⅞-4⅞	4⅞-4⅞	4⅞-5⅞
Deutschm'rk	5-5⅛	5⅛-5¼	5⅛-5⅞	5⅜-5½	6⅛-6¼	6½-6⅝
Fr'nch Franc	12½-12¾	12⅛-12¾	13⅛-13⅜	15⅛-15½	16⅝-16⅞	17¼-17½
Italian Lira	15-16½	15⅞-17⅜	16⅝-17¼	17½-18	18½-19	19½-20¼
Belg. Franc						
Conv.	7½-8½	8-9	8¼-8¾	8¾-9¼	9½-10	10-10½
Fin.	7¾-8¼	8-9	8⅝-8⅞	9⅛-9⅜	9⅝-9⅞	9⅞-10⅛
Yen	6⅜-6½	6⅞-6⅞	6⅞-6⅞	6⅝-6¾	6⅞-6⅞	6⅞-6⅞
D. Krone	4⅝-5⅛	5⅜-5⅞	7¾-8¼	9⅝-10⅛	10½-10⅝	11-11½
Asia $ (Sing.)	9¾-9⅞	9⅞-9⅞	10-10⅛	10⅞-10⅞	10⅞-11⅞	11¼-11⅜

OTHER CURRENCIES

Aug. 12	£	$		£ Note Rates
Argentina Peso	15.48-15.53	10.464-10.484	Austria	28.30-28.60
Australia Dollar	1.6990-1.7010	1.1465-1.1475	Belgium	80.60-81.40
Brazil Cruzeiro	943.98-949.36	637.83-641.02	Denmark	14.47-14.61
Finland Markka	8.5560-8.5795	5.7725-5.7775	France	12.12-12.24
Greek Drachma	132.58-133.18	89.40-89.80	Germany	4.01¾-4.05¾
Hong Kong Dollar	11.06½-11.08½	7.4670-7.4720	Italy	2365-2395
Iran Rial	130.80*	88.15*	Japan	365-370
KuwaitDinar(KD)	0.4345-0.4355	0.2932-0.2933	Netherlands	4.50¼-4.54¼
Luxembourg Fr.	80.90-81.00	54.56-54.58	Norway	11.14-11.24
Malaysia Dollar	3.5075-3.5175	2.3665-2.3685	Portugal	179-189
New Zealand Dlr.	2.2930-2.3020	1.5450-1.5475	Spain	217-226½
Saudi Arab. Riyal	5.1450-5.1510	3.4695-3.4710	Sweden	11.74-11.84
Singapore Dollar	3.19-3.20	2.1535-2.1555	Switzerland	3.23-3.26
Sth.African Rand	1.6650-1.6665	1.1225-1.1235	United States	1.47-1.49
U.A.E. Dirham	5.4455-5.4510	3.6720-3.6750	Yugoslavia	156-175

*Selling rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. AUGUST 12)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 7/16	offer 10 9/16	bid 10 7/8	offer 11

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest	Change + or −	Year ago	1983 High	1983 Low
Sisal No. 3L	$650x	—	$640/660	$650	$620/630
Sugar (Raw)	£175x	−6	£105	£193.5	£95
Tapioca No. 1	£312w	—	£240	£312	£255
Tea (quality) kilo	150p	−3	130p	155p	137p
(low med.) kilo	126p	+2	‡	126p	113p
Wooltops, 64s Warp	395p kilo	+5	380p kilo	409p kilo	372p kilo

‡ Unquoted. (g) Madagascar. (z) Sept. (y) Oct. (u) Nov. (x) Aug-Sept. (w) Sept-Oct. (v) Oct-Nov. § Ghana cocoa.

REVIEW OF THE WEEK

Aluminium surges to record level

BY OUR COMMODITIES STAFF

COMMODITY AND metal markets were in an active mood this week. On the London Metal Exchange aluminium prices surged to record levels and zinc advanced strongly.

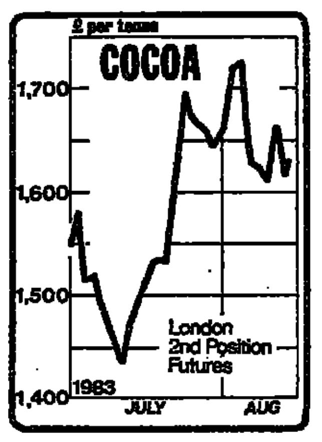
In the "soft" (non-metal) markets, cocoa prices fluctuated wildly from limit up one day to limit down the next. Potato futures soared to new peaks, and there were heavy gains, too, in the soyabean meal and oil markets. In contrast sugar values came back sharply after starting the week on a buoyant note.

Latest beet tests results, out yesterday, confirmed that the EEC sugar crop is likely to be considerably lower this year.

However, heavy speculative selling, triggered off by unconfirmed rumours that Brazil was proposing to sell some 750,000 tonnes of sugar, brought the market down. The London daily price for raw sugar dropped from a high £187.5 back to £175.5 a tonne. £6 lower on the week.

In the London potato futures market the continuing hot, dry weather and reports of further crop setbacks in Holland brought a renewed surge in values. The April position jumped by £40 to a new high of £268.50 a tonne. It was below £100 at the beginning of May. Traders warned, however, that speculators have played a large part in the recent upsurge.

Speculators are also playing a dominant role in the cocoa market at present. The December futures position fluctuated between a low £1,609.5 to a high of £1,662.5 before closing yesterday at £1,625.5 a tonne, only £3 up on a week ago. On several occasions during the week the market dropped the permissible limit down of £40 only to rise the permissible limit up the next day.



There were no new supply-demand developments. Just considerable uncertainty about the state of the crops in West Africa and nervousness at the higher price levels.

Forecasts of a sharp cut in the U.S. maize and soyabean crops this year, owing to prolonged hot weather and planting cutbacks by farmers, brought hefty rises in London soyabean meal and oil prices this week. On the soyabean meal futures market the October position from £171.95 a week ago to £191.15 a tonne yesterday.

On the London Metal Exchange **aluminium** was again the star performer. The cash price gained £34.5 to close at £1,087.5 a tonne yesterday after having reached a record £1,090 on Thursday. The uptrend was boosted by a report from the International Primary Aluminium Institute that world stocks had fallen again at the end of June to 3,923,000 tonnes compared with 5,003,000 tonnes at end June a year ago. British Alcan Aluminium announced another rise in the UK list price for aluminium by £100 to £1,050 a tonne. The company said the increase, the fourth this year, reflected improving demand and the fall in the value of sterling against the world dollar price.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,098.5, three months £1,125, 25.5, 25, 24, 25, 24.5, 25. Cathodes, cash £1,068. Kerb: Higher Grade: Three months £1,125, 26. Afternoon: Higher Grade: Three months £1,127, 26.5, 26, 26.5, 27, 27.5, 27, 26.5. Kerb: Higher Grade: Three months £1,126, 27, 26.5, 27, 26.5, 26, 25. Turnover: 22,400 tonnes.

Kerb: Three months £1,107, 08, 08.5, 08, 09, 09.5, 10, 09.5. Afternoon: Three months £1,110, 11, 12, 13, 15, 17, 16.5, 16, 15.5. Kerb: Three months £1,115, 15.5, 15. Turnover: 21,725 tonnes.

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	1079-80	+.75	1087-8	−2.5

GRAINS

Business done—Wheat: Sept 122.10-1.40, Nov 124.60-3.45, Jan 127.90-7.05, March 130.80-29.80, May 134.50-3.60,

more business was undertaken than in earlier sessions, the turnover remained narrow, and few new orders were secured. Interest remained centred on American type supplies, with Middle Eastern qualities to the fore.

INDICES

FINANCIAL TIMES

Aug. 11	Aug. 10	M'th ago	Y'ar ago
291.19	289.63	272.10	225.49

(Base: July 1 1952=100)

REUTERS

Aug. 12	Aug. 11	M'th ago	Y'ar ago

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.95-29.05	−0.02
Iranian Light	28.20	—
Arabian Heavy	26.70-26.75	+0.02
North Sea (Forties)	31.10-31.15	−0.05
North Sea (Brent)	31.30	—
African (Bonny Li'ht)	31.10-31.15	−0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	309-312	—
Gas oil	254-260	+1.5
Heavy fuel oil	171-173	—

GAS OIL FUTURES

Continuing firmness in the physical market led to a steady opening and further strength through the morning. A disappointing New York opening had a slight dampening effect, but keen trade buying re-emerged around a dollar off the highs, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Aug	256.50	+1.75	259.00-57.55
Sept.	263.25	+1.50	264.00-62.25
Oct	267.50	+1.50	268.25-66.50
Nov.	270.25	+1.00	271.00-70.00
Dec	273.50	+1.25	273.75-73.00
Jan	273.25	+1.75	273.25-73.00
Feb	270.00	+2.00	—
Mar.	265.25	+0.25	265.25
April	260.00	−2.50	—

Turnover: 2,505 (1,302) lots of 100 tonnes.

GOLD MARKETS

Gold rose $2 to $414½-415 on on the London bullion market. The metal opened at $410¾-411¼, and was fixed at $411.60 in the morning, and $412.45 in the afternoon. It closed at the highest level of the day, after touching a low point of $410¾-$411¼.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
August	414.00-16.0	+2.56	—
Sept	415.50-18.0	+2.00	—
Oct	420.00-21.0	+2.25	418.60-17.8
Nov	423.00-25.0	+2.25	—
Dec.	427.60-27.8	+2.90	427.90-24.8
Jan	431.00-32.0	+2.25	—
Feb	435.00-36.0	+2.25	435.50

Turnover: 425 (423) lots of 100 troy ounces.

AMERICAN MARKETS

NEW YORK, August 12.

PRECIOUS METALS RECOVERED on short-covering and on speculative buying off lower interest rates. Heating oil prices continued their advance on the strength of estimates that demand for Opec oil would exceed output in the third quarter. Copper prices were firm to higher on short-covering and on arbitrage buying. Sugar prices dropped sharply on indications that Brazil was offering further quantities in the open market and that the Dominican Republic oversold its quota to the U.S. Cocoa was lower on commission house profit-taking with the trade on the sidelines awaiting clarification of the crop situation in West Africa. Coffee prices declined moderately on light trade selling following Thursday's sharp recovery. The first government crop report was pretty well in line for maize and wheat but came in above trade expectations for soyabeans. After a weak opening the soya market rallied several times and finished moderately higher with soya oil closing very strong. Maize and wheat closed mixed or lower, mostly on evening-up and profit taking, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
Sept	2165	2202	2160	2218
Dec	2230	2257	2218	2268
March	2245	2265	2235	2276
May	2241	2260	2250	2272
July	2254	—	—	2285
Sept	2256	—	—	2287
Dec	2256	2255	2255	2287

SUGAR WORLD "11" 112,000 lbs. cents/lb

	Close	High	Low	Prev
Sept	10.38	10.70	10.35	10.7[illegible]
Oct	10.65	11.13	10.62	11.0[illegible]
Jan	11.50	11.90	11.50	11.7[illegible]
March	12.09	12.47	12.08	12.3[illegible]
May	12.38	12.68	12.35	12.5[illegible]
July	12.56	12.89	12.55	12.8[illegible]
Sept	12.75	13.05	13.05	13.0[illegible]
Oct	13.00	13.30	13.00	13.2[illegible]
Jan	13.00	—	—	13.0[illegible]

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

Mansfield (£1) 430 (9/8)
Marston Thompson Evershed 103 5 6½. 7pcLn 1993-98 £63⊕
Scottish Newcastle 5½pcPf (£1) 52 (10/8). 5¼pc1stMtgDb 1979-84 £97¼ (9/8). 6¾pc1stMtgD 1985-90 £77¼ (8/8). 7¼pc 1stMtgDb 1989-94 £74 (10/8)
Seagram Distillers 12¾pcDb 2012 £102
Vaux 7pcPf (£1) 60
Watney Mann Truman Hldgs 3½pcIrrdDb £34. 4¼pcIrrdDb £37 (10/8). 4¼pcDb 1978-83 £100 (9/8). 4¾pcDb 1988-93 £62½ (10/8). 6½pcDb 1987-90 £75½ (8/8). 7pcDb 1988-93 £72¼. 7½pcDb 1987-92 £74½. 10½pcDb 1990-95 £93¼⊕. 12¼pcDb 2008 £25 7/16 ½. 5½pc Ln £45 (9/8). 7¼pcLn 1994-99 £64¼. 8pcLn 1990-95 £73¼. 8¾pcLn £65 (9/8)
Whitbread B 137 (10/8). 4½pc1stPf (£1) 38 (8/8). 6pc3rdPf (£1) 57 (10/8). 7pc 3rdPf (£1) 67. 4½pcDb 199-2004 £45¼ ¾ 6 ¼ (10/8). 5½pcDb 1981-86 £84 (10/8). 6½pcDb 1986-91 £74½ (10/8). 6¾pcDb 1984-87 £83¼ (8/8). 7pcDb 1988-93 £75½ (5/8). 7¼pcDb 1984-94 £75½ 6¼ (10/8). 7¼pcLn 1995-99 £67¼. 7¾pcLn 1996-2000 £68½ (10/8). 10½pc Ln 2000-05 £88
Whitbread 156

COMMERCIAL, INDUSTRIAL

A—B

WAAH Hldgs 6pcPf (£1) 45½ (10/8)
AC Cars (5p) 42 (8/8)
AE 6¼pcD 1980-85 £92. 8pcLn 1989-94 £68 (10/8)
AECI 5½pcPf (R2) 40 (9/8)
AI Industrial Products 6pcPf (£1) 15 (5/8)
AMEC 15pcLn 1992 £109½

C—D

Cavenham 4½pc1stPf (£1) 31 (5/8). 6½pc 1stPf (£1) 45 (9/8). 7pc1stPf (£1) 50½ (10/8). 7½pc1stPf (£1) 52 (9/8). 10pc 1stPf (£1) 97½ 8 9. 10¼pcLn 1992-97 £81 2. 10½pcLn 1991-96 £83½⊕
Celtic Haven (5p) 23½ 4
Centreway Trust 11pcPf (£1) 94 (8/8)
Chamberlain Phipps 5pcPf (£1) 48 (5/8)
Channel Tunnel Invest (5p) 105 10
Charrington Indust Hldgs 8pcLn 1988-93 £68 (5/8). 10¼pcLn 1993-98 £85½ (10/8)
Chubb Son 6½pcPf (£1) 54 (8/8). 8½pcLn 1987-92 £76¼ (9/8)
Clarke (T.) (10p) 36 (9/8)
Clayton Dewandre Hldgs 7¼pcDb 1986-91 £75⊕
Clutson-Penn Intnl 7½pc2ndDb 1986-91 £77 (8/8)
Clyde Blowers 146 (5/8)
Coats Patons 4½pcLn 2002-07 £40 (9/8). 6¼pcLn 2002-07 £56½. 7½pcLn 1990-95 £68¼
Cocksedge (Hldgs) 33 6 (8/8)
Cohen (A.) NV A (20p) 230
Combined English Stores 7¼pcPf (£1) 45
Cookson Group 7pcPfd (50p) 23½ (9/8). 7pcPf (£1) 48½ (10/8)
Cope Allman Intnl 7½pcLn 1971-90 £79½ (9/8)
Cosalt 10pcLn 1983-88 £80½ (5/8)
Courtaulds 7¼pcDb 1989-94 £73. 5½pcLn 1994-96 £52¼ 3. 6½pcLn 1994-96 £57½ 8¼. 7¼pcLn 1994-96 £63 ½ ¼. 7¼pc Ln 2000-05 £60
Courtaulds Knitwear 7½pcPf (£1) 51 (10/8)
Courts (Furnishers) 123
Cowan de Groot 10½pcPf (£1) 84 (10/8)
Cowie (T.) 10½pcPf (£1) 120
Croda Chemicals Intnl 6pcPf (£1) 63 (9/8)
Croda World Traders 7pcPf (£1) 50¼ (5/8)
Crouch Group 9pcLn 1993-96 £71 2
Crown House 7½pcPf (£1) 53 (10/8)

Crystalate Hldgs 8pcPf (50p) 23 (8/8). 9¾pcLn 1999-2000 £252 4 (8/8)
Currys Group 6½pcPf (£1) 55 (5/8)
DPCE Hldgs (5p) 244½. New (5p) 243 4 5
DRG 7¼pcLn 1986-91 £73 ½ (10/8)
Dalgety 4.85pcPf (£1) 59. 6½pcDb 1985-95 £63 (5/8)
Davenport Knitwear (10p) 155
Dawson Intnl 10¾pcDb 1990-95 £92 (10/8)

E—F

G—H

I—J—K

L—M

N—O

Paterson Zochonis 7½pcPf (£1) 78½ (10/8). 10pcPf (£1) 110½ (10/8)
Pavilion Leisure Hldgs (10p) 66 ¼ 70 1 2 2 5
Pearson (S.) Son 8pcLn 1988-93 £75 (8/8). 10¼pcLn 2001-05 £86½. 10½pcLn 1993-98 £114 (10/8)
Pegler-Hattersley 7pcLn 1989-94 £64¼ (9/8)
Pentos 13pcLn 1990 £82
Phicom 8pcPf (£1) 93
Pittard Grp 9½pcPf (£1) 84 (5/8)
Plessey 7¼pcDb 1992-97 £69¼

Q—R—S

T—U—V

W—Y—Z

United Computer and Tech Hldgs War to sub 120 (8/8)
United Leasing (20p) 148. New (20p) 147¼ ½ 8
Yule Catto 11½pcPf 1998-2003 (£1) 124½

INSURANCE

Commercial Un Ass 5pcPf 1989-2009 (£1) 46½ (10/8)
Ecclesiastical Hldgs 13pcDb 2016 £103⊕

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

Argyle Securities 12pcDb 1993-98 £98¼
Atlantic Metropolitan (UK) 12pcLn 1991-1997 £106⊕
Bampton Hldgs 8¼pc1stDb 1988-93 £76. 8¼pcLn 2002-07 £81½ 2
Bampton Property Group 7¾pcLn (1991-1996) £66
British Land 15pc1stDb 1987 £112¼ (10/8). 12pcLn 2002 £285
Brixton Estate 6pc1stDb 1983 88 £80 (10/8)

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

Radio City (Sound of Merseyside) A N-Vtg (25p) 130
Rayford Supreme Hldgs (25p) 218 20 1
Renishaw (5p) 217 20 1 2 2 3 4 5 7
Rivlin (J D S) Hldgs (5p) 40
SCUSA Inc Shs Com ($0.01) 93 (10/8). New Shs Com ($01) (Fp/LA 19/9/83) 99 ½ 100 1 2
Southern Business Leasing New (10p) (Fp/LA 19/8/83) 89
Stainless Metalcraft (25p) 100
Strikes Restaurants (10p) 65 (5/8)
Sunleigh Electronics (10p) 17 ½ 8
Technology for Business New (10p) (Fp/LA 2/9/83) 82 ¾ 3 (10/8)
Thermal Scientific New (25p) (Fp/AL 13/9/83) 87 8
Tunstall Telecom Gp (5p) 170 2 3 5
United Friendly Insur B (Rest Vtg) (10p) 200
Yelverton Invts (5p) 63 4 ½ 5 6
Yorkgreen Invsts (10p) 98 ½ 9

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Abbey Nat Bldg Soc 11pc Bds due 7/9/83 £99.919 .9247 (5/8)
Adams B (£1) £17.25 (10/8)
Alderney Elect 7pc Cum Pf (£1) 55 (9/8)
All England Lawn Tennis Gnd £50 Db 1981-85 £3,850 75 3,900 (8/8). Do. £500 Db 1986/90 £1,575 1,600 (5/8)
Alliance Bldg Soc 11¼pc Bds due 14/9/83 £99.937 .942 (10/8)
Arnal Metal Corp (£1) 190 5 200 (9/8)
Baker Electronics (10p) 49 50 ½ 1 (8/8)
Bell 6pc Cum Pf (£1) 30 4 (9/8)
Biotech Invs 895 75 95 $12.75 (10/8)
Brint Invs (£1) 160 1 (5/8)
Camputers (10p) 20½ ¼ (5/8)
Cannon St Invs 2 3 (5/8)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

(By permission of the Stock Exchange Council)

Speed limits under review

THE GOVERNMENT is considering reducing the 70-mph motorway speed limit for coaches. This follows several serious accidents involving coaches this year.

Mrs Lynda Chalker, junior Transport Minister, announced the review as part of a proposed revision of speed limits for lorries, buses and cars towing caravans and trailers. New draft regulations would raise the speed limit for lorries on dual carriageways from 40 mph to 50 mph.

A reduction in speed limits for coaches is not included in the draft regulations circulated to organisations for their comments. But Mrs Chalker said: "In view of concern about the 70mph limit on coaches, I am prepared to consider evidence from interested organisations that this limit may be too high."

Commenting on the proposed increase for lorries. Mrs Chalker said some limits were out of date and that the change would reflect the increase in dual carriageways in the past 20 years.

A proposed increase in the speed limit for cars towing trailers or caravans would mean a new limit of 60 mph on motorways and 50 mph on dual carriageways and other roads.

Conference for computer market

A TWO-DAY conference to highlight the opportunities the professional personal computer offers electronics manufacturers and customers will be held in London on October 11 and 12.

Arranged by the Financial Times, "The Professional Personal Computer Markets and Strategies" will look at the development of this market in which leading manufacturers are in competition with relatively new and small companies. It will also consider the investment opportunities.

The conference will be jointly chaired by Mr Rolf-Dieter Leister, a consultant for Information and Communication Technologies, and former vice-president and managing director of IBM Germany DP Activities, and Mr I. G. McNaught-Davis, managing director of Comshare Ltd.

Representatives from computer manufacturers, specialist consultancies and banks from Europe, the U.S. and Japan will address the meeting.

MPs 'back shop hours increase'

THE NEW MPs overwhelmingly favour reform of the Shops Act to enable traders to stay open longer hours including Sunday, according to a poll published yesterday.

Well over half the MPs who responded to a survey carried by Super Marketing magazine approved of giving retailers

In spite of the failure earlier this year of a private member's Bill to reform the Shops Act, which had tacit government support, the Home Office has now apointed an inquiry to review trading hours.

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

New move to salvage Carrian unit

BY ROBERT COTTRELL IN HONG KONG

MR JOHN BOYER, formerly deputy chairman of the Hong-kong and Shanghai Banking Corporation (HSBC), may soon take a senior managerial role at crashed Hong Kong property group Carrian Investments Limited (CIL).

The appointment of an outside executive to troubled CIL is an integral part of a package of proposals drawn up by the company's merchant banking advisor, Hambro Pacific, to save it from liquidation. Mr Boyer's previous position with HSBC, itself a major creditor of CIL is not thought likely to inhibit his independence as, effectively, the key representative of the creditors within the company.

The Hambro scheme, which the banks have been asked to approve within the next three to four weeks, would require the creditors to write down CIL's loans at their current asset value and to accept preference shares for up to half the written down amounts.

It would also give a committee of the creditor banks the right to appoint directors to the board of CIL and its subsidiaries as well as a senior executive—the position that Mr Boyer is being proposed for.

Mr Boyer retired as deputy chairman of HSBC in 1981, following which he became chairman of Antony Gibbs, the HSBC's London merchant banking subsidiary. He retired from that post at the turn of this year.

In London yesterday Mr Boyer would only comment that "until there is an agreed package with the creditor banks I have no official position, but I can say that I have agreed to let my name go forward for this position."

However, his emergence as a board level representative acceptable to CIL's creditor banks has increased speculation that the crisis at the company may be resolved without liquidation. At the end of 1982, CIL owed HK$2.9bn (U.S.$388m) and analysts estimate its net worth now to be negative, wiped out mainly by Hong Kong's property market crash.

In the eight months since shares were suspended on Hong Kong's stock exchanges CIL has striven to reduce group debts by agreeing sales to unnamed buyers of its Transpacific Office Development in Oakland, U.S. and its stake in its one-time insurance subsidiary China Underwriters, while completing sales of vessels from the fleet of its shipping subsidiary Grand Marine.

While some bankers believe CIL's creditors may agree the latest debt reconstruction, a problem still overhanging CIL is the fate of its unquoted parent company Carrian Holdings Limited (CHL).

CHL showed a negative net worth of HK$1.15bn at November 30 1982, and bank debts of HK$1.4bn. Bank lenders to CIL are being asked to approve a moratorium on interest and principal repayment.

CHL also faces a non-bank liability of up to HK$400m arising from a placement of CIL shares last year. CHL guaranteed that it would buy the shares back at a premium from October this year. It is not clear how CHL could now honour this commitment.

Amro earnings up 22% at midway

By Walter Ellis in Amsterdam

IMPROVED interest margins and increased commission from dealings on the booming Amsterdam stock market have helped lift first half earnings of Amsterdam-Rotterdam Bank (Amro) by 22 per cent.

Net profit of the bank, one of the big three Dutch commercial banks, came to Fl 106m ($34.7m) against Fl 87m for the same 1982 period. Balance sheet total rose by 3 per cent to Fl 119bn.

The gross result was up by 51 per cent to Fl 632m, and total income for the six months amounted to Fl 1.7bn —an increase of 20 per cent.

A rise in provisions from Fl 300m to Fl 475m is the main reason for the substantial improvement in gross earnings is not reflected in the net result.

Even so, the financial position at Amro is clearly much improved. Last year, net profit at Fl 163m was 38 per cent down on 1981.

Other Dutch banks are due to report their first half results in the next week, and a similar pattern is expected overall.

Debt provision, however, continue to dog the progress of the Dutch banking sector. But in this connection it is worth noting that the rate of bankruptcies in the Netherlands this year is down for the first time in more than two years.

Amro forecasts that it will record a reasonable increase in net earnings for 1983 as a whole.

Meanwhile the half-year dividend has been set at Fl 1.50 a share payable either in cash or in cash and shares.

Amro said its balance sheet total showed a significant growth over the first half "considering the fact the Dutch economy is still in recession."

SEC toughens rules on foreign loans disclosure

BY PAUL TAYLOR IN NEW YORK

U.S. BANKING groups will have to provide more detailed information about their foreign lending and potentially risky domestic loans under a new set of rules from the Securities and Exchange Commission.

The regulations represent a further tightening of U.S. bank disclosure requirements and reflect continuing public and Congressional concern about bank lending policies.

The rules, which take effect from the end of this year, formalise and standardise existing SEC requests for more information to be disclosed in bank holding company annual and quarterly reports. They also come on top of other moves by Congress and bank regulatory agencies to tighten reporting requirements and curb "risky" lending.

Under the rules, bank holding companies, like banks, which have lent more than 1 per cent of their assets to a foreign country must report the name of the country and specify what proportion of the loan exposure is to government bodies, private industry or to other sectors.

In addition bank holding companies will be required to name those countries where foreign loan exposure totals between 0.75 per cent and 1 per cent of total assets and say what their total lending is to these countries. Banking groups will also have to discuss any lending to foreign countries where payments are threatened.

The new regulations also standardise reporting requirements for delayed payment and problem domestic loans.

In addition, bank holding companies will be required to report as "a risk" any loan where the bank has "serious doubts" about the borrower's ability to repay it.

As part of the compromise to win congressional support for the proposed $8.5bn increase in the U.S. quota to the IMF various measures to restrict and monitor U.S. bank lending overseas have been tacked on to the IMF Bill. These include requirements that would limit the fees charged by banks for rescheduling foreign loans and force banks to set aside special reserves for international loans to troubled LDCs. The IMF bill will be voted on in the autumn.

Unisec poised for expansion

By Our Johannesburg Correspondent

UNISEC, the South African investment holding company indirectly controlled by Standard Bank Investment Corporation (Stanbic), is poised to make large-scale stock market purchases, according to Mr Peter Thomas, managing director.

The company recently sold its interests in General Tire and in Williams, Hunt, the motor distributor, and, according to Mr Thomas, has cash resources of R90m (US$80m).

In the half-year to last June Unisec's pre-tax profit was R18.6m, against R18.3m. Overall pre-tax profit in 1982 totalled R36.7m.

First-half turnover fell to R221.3m from R225.5m partly as a result of the deconsolidation of a subsidiary. Higher turnover was recorded no wholesaling.

The interim dividend has been increased to 12 cents from 8 cents in part as a means of reducing the disparity between interim and final payments.

Half-year downturn for Haggie

BY OUR JOHANNESBURG CORRESPONDENT

HAGGIE, the South African engineering and non-ferrous metals products group which is one of the world's largest manufacturers of steel ropes, has been badly hit in most sectors of its business.

In the six months to June turnover fell to R171.2m ($152.9m) from R192.8m in the first half of 1982. Operating income before interest dropped to R26.1m from R31.1m. In 1982 overall turnover was R360.6m and operating income R57.5m.

In export markets the U.S. has instituted countervailing tariffs against steel products, resulting in lower sales in this major market. In South Africa itself, sales to the agricultural sector have been affected by the drought while sales to the mining industry have suffered from reduced capital spending rates resulting from lower gold prices.

Meanwhile, the interim dividend is unchanged at 20 cents a share on earnings down from 87 to 71 cents a share. Total dividends of 70 cents a share were paid for 1982 from earnings of 164 cents a share.

Cement operations prop Anglo-Alpha

BY OUR JOHANNESBURG CORRESPONDENT

ANGLO-ALPHA, the major South African cement and lime producer which is 33.8 per cent owned by Holderbank Financiere Glaries of Switzerland, was affected by depressed economic conditions in the six months to end June 30.

However, operating income for the first half rose to R34m ($30.3m) from R30.4m while turnover increased to R125.9m from R116.1m in the first half of 1982. Total turnover in 1982 was R252.9m and the operating profit R66.6m.

The directors say that all of the firm's divisions experienced lower sales volumes except for the cement operations. They were bolstered by strong demand from the house building industry.

The lime and cement divisions only enjoyed higher turnover because of price increases implemented in the final weeks of 1982. Management does not expect the adverse economic conditions to end this year and estimates annual profits will be some 10 per cent lower than those of 1982.

The interim dividend, however, has been increased to 20 cents a share from 18 cents.

Pioneer Electronic back to profits in third quarter

BY YOKO SHIBATA IN TOKYO

PIONEER ELECTRONIC, Japan's largest manufacturer of audio equipment, has moved back into the black with a good third quarter performance in laser disc and automobile stereo sales. Group net profit was Y631m ($2.6m), compared with a Y1.54bn loss in the same period in 1982.

Sales overall were up strongly, from Y69bn in April-June 1982, to Y73.7bn in the same period this year. At the nine-month stage of the current year, consolidated sales were up 2 per cent at Y226.4bn.

Profits per share in the third quarter were Y5.36 against a loss per share of Y13.11 previously and pre-tax profits were Y3.95bn against Y1.46bn.

The company forecasts a 5 per cent growth in full year sales to Y310bn and a return to profitability after last year's net loss of Y3.1bn.

Sanyo Electric, one of the major manufacturers of electric and electronic appliances, has turned in consolidated net profits of Y14.51bn for the six months to May 31 compared with Y13.04bn previously. Sales were up, at Y503bn from Y490bn, with earnings per share rising to Y14.45 from Y13.51.

● Sumitomo Chemical, a leading diversified chemical producer, boosted parent company pre-tax profits to Y6.74bn from Y2.41bn for the half-year to June 30. But due to the need to set aside Y10.3bn for losses at its affiliate Sumitomo Aluminium, unconsolidated net profits fell further into the red, down to a net loss of Y240m against last year's loss of Y168m.

Sales increased to Y323bn from Y319bn and no interim dividend is being paid.

Pension funds claim 33% of Wereldhave

By Our Amsterdam Correspondent

PGGM and PVM, the Dutch pension funds fighting jointly for control of Wereldhave, the Rotterdam-based property fund, now claim to control 33 per cent of its shares, worth some Fl 203m ($66m).

Their aim is the acquisition of 76 per cent of the equity but Wereldhave opposes the bid of Fl 155 a share and has the support of existing institutional investors who control 40 per cent of the company.

Wereldhave is a property investment fund with prime commercial property in the U.S. and Europe valued at more than Fl 1bn. The bidders already hold extensive property investments

PGGM and PVM announced yesterday that they had acquired a further block of 400,000 Wereldhave shares.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int.	111.0	117.5	+0.4	10.21
High Inc Equity	51.7	55.0xd	—	6.55
Capital Growth				
[illegible]				

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777
Britannia Viewpoint 01-673 0048

UK Specialist Funds				
Assets	157.4	169.7	−0.4	3.34
Recovery	58.7	63.3	−0.3	3.03
Smaller Cos.	90.2	97.2	+0.2	1.72
Spec. Mkt. Sits.	73.4	79.1	−0.1	1.49
UK Blue Chip	50.8	54.8	−0.2	3.16
High Income Funds				
Nat. High Inc.	105.8	114.1	+0.1	6.59
Extra Inc.	41.8	45.1xd	+0.1	8.74
[illegible]				

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Growth	19.4	20.9	—	3.50
[illegible]				

Henderson Administration (a) (b) (c)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brntwd, Essex. 0277 217238-227-300

[illegible]

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP. 01-920 0311

Equity Accum. (2)	74.9	80.6	—	2.92
[illegible]				

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	193.2	207.7	+0.9	1.72
[illegible]				

Save & Prosper—continued

Overseas Funds & Sector Funds				
Europe (z)	145.2	156.2	+1.6	0.97
Japan (z)	181.5	195.3	+0.9	0.45
Japan Smllr. Co's (z)	46.7	50.4	+0.1	—
S.E. Asia (z)	81.8	88.0	+0.5	1.17
U.S. (z)	232.7	250.4	+2.5	0.46
Commodity	170.3	183.3	−0.2	1.94
Energy	148.6	159.9	+0.2	2.02
Exploration Fund (z)	38.5	41.4	+0.2	0.25
Financial Secs.	137.5	148.0	−0.8	2.81
New Technology (z)	93.8	100.9	+0.5	0.00
Scotbits	65.7	71.0xd	+0.6	3.28
[illegible]				

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Australian Securities	63.7	68.5	−0.2	1.61
(Accum. Units)	64.0	68.9	−0.3	1.61
Capital	214.8	230.0xd	−0.2	3.20
(Accum. Units)	352.6	377.4	−0.6	3.20
Exempt	175.6	188.8xd	+0.6	7.26
(Accum. Units)	346.4	372.4	+1.0	7.26
Far Eastern	108.0	116.2	+0.3	1.51
(Accum. Units)	112.0	120.5	+0.2	1.51
Fin & Prop.	29.1	31.3xd	−0.1	3.55
(Accum. Units)	42.3	45.5	−0.1	3.55
[illegible]				

[illegible]

INSURANCES

[illegible]

Companies and Markets

LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders slip back on end-Account influences
Gilt-edged manage small rally despite new funding

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Aug 1	Aug 11	Aug 12	Aug 22
Aug 15	*Sept 1*	*Sept 2*	*Sept 12*
Sept 5	Sept 15	Sept 16	Sept 26

* "New-time" dealings may take place from 9.30 am two business days earlier.

Equity investors decided yesterday to await the latest U.S. money statistics and sentiment on The London Stock Exchange was affected by end-Account influences. Leading shares initially were only a penny or two softer but the absence of worthwhile demand saw the losses increased. "New-time" buying interest, particularly for Irish Sea exploration issues which have blossomed this week, was often thwarted by the imposition of increased financing charges for the next Account which covers a three-week period.

The decline in top-quality industrials caused thoughts to return to the uncertainty surrounding U.S. financial markets and the possible effect on UK interest rates. Although U.S. bond markets have steadied recently, the tone remains extremely sensitive and prone to current uncertainties. As the resilience shown recently in *London equities became* less pronounced, the FT Industrial Ordinary share index slipped to its lowest level of the week before rallying after-hours to close a net 3.8 down at 722.1, after 719.4.

Numerous features emerged elsewhere with recent speculative favourites prominent. Trading results and comment on *recently-released statements* also led to many firm spots. Irish Sea oil stocks regained ground after Thursday's indecision, while Harold Ingram doubled to 175p before closing at 165p with speculators sensing upward potential following the 65p-per-share offer, accepted by the Ingrams for their combined 52.26 per cent holding.

Gilt-edged securities followed the latest rally in U.S. bonds. Longer-dated stocks were firmer than the shorts and continued the advance after 4 pm when trading was resumed following the 3.30 pm announcement of new Government funding; £800m of Treasury 10 per cent Convertible 1986 is to be issued at a minimum tender price of £96.75, payable £40 on tender.

Insurances strong

Fairly active and very firm conditions prevailed in Insurances. An acute stock shortage prompted numerous double-figure gains with Life issues leading the way. Pearl jumped 28 more making an advance of 57 on the week at 700p. Britannic rose 14 to 406p and Equity and Law 10 to 722p. Among Composites, General Accident, still drawing strength from the better-than-expected interim profits recovery, rose 8 more to 453p. Royals, the next to report half-yearly figures on Tuesday, *appreciated 10 to 515p.* while GRE rose 14 to 506p; Phoenix improved 8 to 334p and Sun Alliance ½ to £12½. Willis Faber firmed 11 to 544p in Lloyd's Brokers.

Interest in the banking sector remained at a low ebb. Guiness Peat attracted renewed support in merchant banks and closed 6 to the good at 51p. The major clearers drifted lower on end-Account influences. NatWest dipped 10 to 605p and Lloyds 7 to 508p.

Leading Buildings lost ground on occasional selling in the absence of support, but the sector's two FT index constituents both steadied in the late dealings. Blue Circle slipped to 412p before picking up to close unchanged on balance at 415p, while London Brick, down to 71p early on, rallied on new-time buying to close a penny dearer on balance at 73p. Redland, however, ended 3 down at 236p, as did RMC, at 359p. Tarmac shed 4 to 398p; the group has acquired a private aggregate company for £9.6m. Housebuilders, still overshadowed by recent adverse *Press* comment on timber-framed houses, had George Wimpey 3 cheaper at 109p and Barratt Developments a couple of pence off at 200p, after 198p. Following the company's agreed bid for William Whittingham, Comben shed 3 to 43p. Elsewhere, UBM slipped to 119p before closing a penny dearer on balance at 122p, still *well above the bid worth 107p* per share from Norcros, a penny cheaper at 132p. Among Timber issues, recently dull Magnet and Southerns firmed 6 to 150p.

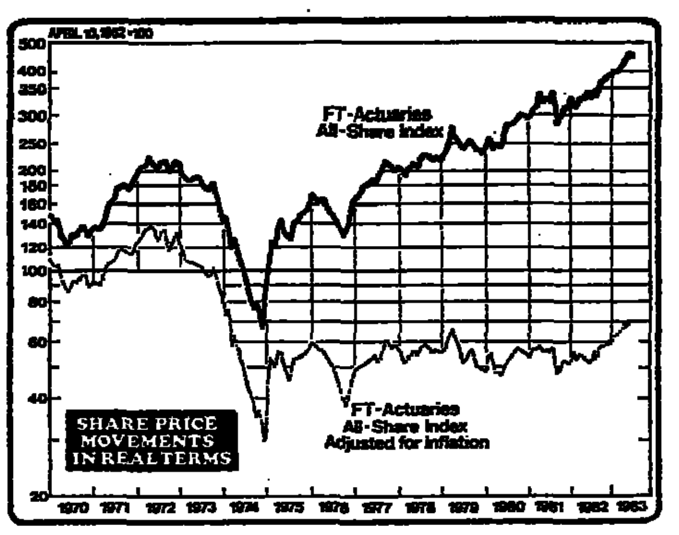
Stylo good late

Subjected to a bout of selling late on Thursday, ICI opened around 14 lower at 544p, but *gradually improved as the session* wore on and the close was just 6 cheaper on balance at 552p. British Tar Products, a good market since the annual meeting, encountered profit-taking and shed 4 to 59p, but Stewart Plastics attracted demand in a thin market and put on 11 to 112p; the latter's preliminary results are due early next month.

Stylo provided a late feature, rising 12 to a 1983 peak of 121p following news that the company has called an EGM to consider resolutions to enable the company to purchase its own shares.

Leading Stores closed the Account on a mixed note. House of Fraser were wanted and firmed 8 *to a 1983 high of 224p,* but Burton shed 6 to 322p, while GUS A fell 7 at 535p.

Down 8 on Thursday following the disappointing first-quarter profits, Plessey cheapened 4 further to 214p in a lethargic Electrical sector. Racal gave up 5 to 475p but GEC hardened 2 to 212p with the help of Press comment.



Engineers were featured in the late dealings by a jump of 30 to 115p in Drake and Scull on the announcement of an agreed share exchange and cash offer worth just over 120½p per share from Simon Engineering. Press mention prompted new-time demand for Tace, which touched 130p before settling at 127p for a gain of 14. Fresh speculative buying took Belgrave (Blackheath) up 22 to 120p, while Davies and Metcalfe firmed 2 to 71p in response to the interim results. Among the leaders, GKN edged up 3 to 183p, and TI finished without alteration at 160p after having touched 156p following comment on the respective half-year statements.

End-Account selling left its mark on Foods. Tate and Lyle shed 6 to 358p. Rowntree Macintosh 4 to 204p and Cadbury Schweppes 2 to 103p. Certain Retailers also gave ground, Argyll losing 4 to 116p and Tesco 2 to 137p. J. Sainsbury, however, hardened 3 to 390p.

Prince of Wales Hotels, at 118p, gave up 5 of the previous day's Press-inspired gain of 8; the company has agreed to buy the Golf Hotel, Woodall Spa, Lincs, from Epicure for £550,000.

Prestige jump

Miscellaneous industrial leaders succumbed to end-Account profit-taking. Glaxo lost 25 to 885p, after 875p, while BOC, at 245p, gave up 6 of the previous day's rise of 11 which followed the third-quarter profits improvement. Boots drifted to 161p before closing a net 6 down on balance at 162p; the company yesterday announced the launch of Nurofen, the first over-the-counter non-prescription pain-killer for more than 20 years. Elsewhere, Prestige were outstanding with a jump of 42 to 230p on the special dividend payment and bumper interim profits. Friedland Doggart advanced 15 to 165p after the Board's proposal to purchase 15 per cent of the Ordinary shares by way of a tender offer.

Renewed buying on further consideration of the Board's optimistic statement concerning development of the Niksar Mineral water bottling plant in Turkey left Cornell 26 better and 46 up on the week at 246p; parent concern Polly Peck attracted late speculative support and closed 2½ points better at £23½. Maurice James, 39p, and Sears, 78½p, gained 2½ and 1½ respectively in response to Press comment and Sidlaw reflected investment buying with a rise of 8 to 382p. By way of contrast, Bath and Portland lost 7 more to 114p *on renewed nervous selling ahead* of the first-half results, expected shortly. London and Liverpool Trust cheapened 5 to 61p and Siebe Gorman fell 7 to 363p.

BL were briskly traded reflecting persistent speculation that a certain profitable division could be up for sale and the close was 12 better at 47p; sentiment was *also bolstered* by news of the dismissal of a number of alleged Left-wing activist employees. Elsewhere in Motors, Group Lotus aded a couple of pence to 52p following the return to profits at the mid-term stage and the confident tenor of the chairman's statement.

Already a weak market *following the break-down of takeover* talks with Sun Chemical earlier in the week, Ault and Wiborg revealed a substantial first-half deficit and reduced interim dividend and dipped to 30p before closing down 6 on the day and 21 on the week at 33p.

Significant movements in Properties were again confined to secondary issues. Speculative buying lifted Marler Estates 7 to 92p and GRA 4½ to 29p. Trust Securities met late support and gained 5 to 40p, while Markheath rose 7 to 120p. Property Security Investment held at 112p; Brown Shipley has sold 2.63m shares and no longer has a notifiable interest in the company.

Shippings featured Milford Docks which rose 9 to 55p on renewed speculative support.

Knitted garment manufacturers Harold Ingram again responded to persistent speculative demand in a narrow market and advanced to 102p before news of a bid of 65p per share from Liechtenstein company Wasskon; *following the announcement,* the shares made spectacular progress and touched 175p before settling a net 85 to the good and up 100 on the week at 165p on strong rumours of a shell operation.

Trusts were usually a few pence firmer, where changed, but after Thursday's sharp improvement Aitken Hume came back 8 to 195p in Financials.

Atlantic up again

Apart from BP, which encountered profit-taking and eased 4 to 440p, Oils maintained a firmer trend. Shell improved afresh to 634p following comment on the second-quarter figures before closing 2 firmer on balance at 630p. Britoil were good at 244p, up 6, and Lasmo firmed 10 to 375p. Ultramar, on the other hand, continued to give ground after the half-year figures and eased 10 more to 685p. Irish Oils came to life again after the previous day's relatively quiet trade. Still reflecting hopes of a commercial oil find, Atlantic Resources advanced to 515p before settling 40 higher at 500p for a rise on the week of 165p. Fitzwilton gained 5 to 65p. Aran revived with a gain of 7 to 71p and Eglington closed 10 up at 220p.

Golds progress

Tozer Kemsley and Millbourn, a depressed market recently, responded to call option business and rallied 5 to 35p. Elsewhere in Overseas Traders, Paterson Zochonis continued to attract scattered support and added 8 more at 141p.

Gold shares closed the week and the account in fine form as a firm performance by the bullion price encouraged persistent new time buying. Bullion was finally 2 firmer at $414.625 an ounce while the Gold Mines index progressed for the third successive day and added 8.2 at 642.1, a rise of 15.1 over the five-day period.

The outstanding performance in the leaders came from Southvaal which jumped almost two points at £43½. Buffels put on ½ to £39½ in the wake of the deal with Beatrix Mines.

Financials lacked a decided trend. London issues showed minor gains, RTZ edging up a penny to a 1983 high of 623p, reflecting the recent strength in a number of base-metal markets, while Charter hardened 2 to 267p.

In South Africans, Johnnies added a full point at £91 while Platinums showed new highs for 1983 common to Rustenburg, 10 up at 750p and Lydenburg, up 5 at 555p.

Australians provided a number of features over the week but failed to generate much activity yesterday. *The* UK-registered Hampton Areas jumped 12 to 222p following the sharp rise on Thursday in the price of the Sun (UK) Royalty; Sun Oil is one of Hampton Areas' partners in the company's North Sea oil exploration consortium. Western Mining shrugged off rumours of an imminent rights issue and rallied from 280p to close unaltered on balance at 282p.

Paringa Mining and Exploration hardened a penny at 63p, a week's gain of 13, following a base metal discovery adjacent to the Que River mine in Tasmania.

EZ Industries remained under persistent selling pressure and dropped 7 more to 343p, a two-day decline of 19, following confirmation of the placement of 11m EZ hares around 340p.

Demand for Traded Options expanded slightly with 2,681 contracts done. The week's daily average amounted to 2,784. Business was well spread throughout the list with ICI again to the fore; despite the dullness of the underlying share price, support *was again noted for call positions* with 298 trades done, while 63 puts were struck with the October 550's 6 better at 26p.

FINANCIAL TIMES STOCK INDICES

	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 5	year ago
Government Secs.	79.10	78.90	78.98	79.29	79.23	79.08	74.25
Fixed Interest	81.99	81.81	82.14	82.18	82.08	82.01	74.02
Industrial Ord.	722.1	725.9	725.4	724.7	721.3	723.0	544.9
Gold Mines	642.1	633.9	626.1	624.7	624.7	627.0	262.0
Ord. Div. Yield	4.62	4.58	4.59	4.59	4.61	4.61	6.42
Earnings, Yld.% (full)	9.33	9.12	9.13	9.14	9.19	9.17	12.04
P/E Ratio (net) (*)	13.33	13.68	13.67	13.66	13.59	13.61	9.97
Total bargains.	20,026	19,349	19,008	19,705	19,712	20,026	17,582
Equity turnover £m.	—	234.02	†203.01	175.25	145.02	159.39	126.95
Equity bargains	—	19,310	18,320	16,343	17,120	15,908	12,269
Shares traded (ml)	—	146.8	133.6	114.9	97.0	105.9	95.5

10 am 723.3. 11 am 723.5. Noon 721.9. 1 pm 720.4.
2 pm 720.4. 3 pm 719.4.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil=12.59.
† Corrected.

HIGHS AND LOWS — S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	731.4 (21/6)	598.4 (12/1)	731.4 (21/6/83)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2)	531.5 (29/6)	734.7 (15/2/83)	43.5 (26/10/71)

	Aug. 11	Aug. 10
—Daily Gilt Edged Bargains	123.4	154.4
Equities Bargains	125.1	118.7
Value	473.0	410.3
5-day Avrge Gilt-Edged Bargains	128.6	130.2
Equities Bargains	115.3	112.8
Value	370.6	350.0

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, 12 August, 1983.

Newspapers, Publishing	+56.17	Overseas Traders	+22.61
Motors	+51.06	All-Share Index	+19.44
Oils	+49.70	500-Share Index	+18.03
Other Industrial Materials	+48.48	Gold Mines Index	+13.91
Office Equipment	+47.32	Industrial Group	+12.76
Chemicals	+45.27	Insurance Brokers	+11.40
Other Groups	+37.83	Capital Goods	+ 9.88
Shipping and Transport	+35.32	Consumer Group	+ 8.61
Packaging and Paper	+34.98	Engineering Contractors	+ 8.27
Banks	+30.92	Property	+ 7.37
Mining Finance	+29.11	Building Materials	+ 5.64
Merchant Banks	+28.67	Electricals	+ 5.22
Insurance (Life)	+27.70	Mechanical Engineering	+ 5.15
Health and H'ehold Products	+26.41	Food Manufacturing	+ 4.46
Textile	+26.02	Stores	+ 2.94
Leisure	+25.77	Food Retailing	+ 2.75
Insurance (Composite)	+25.60	Brewers and Distillers	+ 0.32
Investment Trusts	+24.87	Contracting, Construction	— 1.69
Other Consumer	+23.52	Discount Houses	— 3.00
Metals and Metal Forming	+23.52	Tobaccos	—10.63
Financial Group	+22.80		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug 8	Aug 19	Nov 10	Nov 21
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19

For rate indications see end of Share Information Service.

Calls were arranged in Eglington, S. Pearson, Combined Technology, Rockware, Streeters of Godalming, Charter Consolidated, KCA, Renold, Tozer Kemsley and Millbourn, W. E. Norton, United Guarantee and British Tar Products. *A put was done in* Polly Peck, and a double in Combined Technology.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	75	2	24	189	172	137
Corpns. Dom. and Foreign Bonds	18	4	53	38	39	295
Industrials	224	287	824	1,040	1,161	4,496
Financial and Props.	81	70	362	415	417	1,745
Oils	27	27	57	154	137	261
Plantations	3	1	19	18	14	78
Plantations	3	—	19	18	14	78
Mines	53	25	76	210	258	320
Others	61	68	69	279	348	369
Totals	542	481	1,484	2,344	2,547	7,701

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (74)

AMERICANS (4)
Campbell Soup — First Chicago
Damson Oil — Gulf Oil

CANADIANS (1)
Hudson's Bay

BANKS (1)
Standard Chart. Bk.

BUILDINGS (5)
Blockleys — Henderson Group
Cement-Roadstone — Trent Hldgs.
Francis Parker

STORES (2)
Foster Bros. — House of Fraser

ELECTRICALS (4)
Cable & Wireless — Pactrol Elect.
Memory Computer — Sound Diffusion

ENGINEERING (7)
Castings — Expamet Intl.
Davies & Met. A — Parkfield Foundries
Delta Group — Ransome Sims Jeff.
Drake & Scull

FOODS (1)
Chambers & Fargus

HOTELS (1)
Ladbroke

INDUSTRIALS (12)
Assoc. Brit. Ports — Prestige
Bridgend Proc. — Schlumber
Hestair — Sears
James (M.) Inds. — Shiloh
L.C.P. Hldgs. — Sidlaw
Nash Inds. — Walker & Homer

INSURANCE (7)
Equity & Law — Pearl
General Acc de T — Prudential
GRE — Refuge
Hambro Life

LEISURE (3)
Fairline Boats — TVS N-V
G.R.A. Group

MOTORS (1)
B.L.

NEWSPAPERS (2)
Bristol Eve. Post — Fleet Hldgs.

PAPERS (3)
Assoc. Paper — G.B. Papers
Chapman Inds.

PROPERTY (1)
Warnford

SHIPPING (2)
Gotaas-Larsen — Milford Docks

TEXTILES (2)
Ingram (H.) — Parkland Text. A

TRUSTS (3)
Continental & Indl. — TR City of London
Foreign & Colonial

OILS (8)
Aran Energy — Imp. Cont. Gas 8pc
Candecca Res. — Cnv. 1995-2000
Charterhouse Pet. — LASMO
Eglinton Oil — Shell Trans.
Hoonting Pet.

PLANTATIONS (1)
Cons. Planes.

MINES (3)
Lydenburg Plat. — RTZ
Rustenburg Plat.

NEW LOWS (21)

BREWERS (1)
Brown (M.)

BUILDINGS (4)
Comben Group — Leyland Paint
Galliford — Mowlem

CHEMICALS (1)
Ransom (Wm.)

STORES (3)
Cantors A — Harris Queensway
Dixons Group

ELECTRICALS (1)
Black (M.)

ENGINEERING (3)
Bauro Inds. — Victor Prods.
Crowte

INDUSTRIALS (2)
Anglo Nordic — Lond. Liv'pool Tst.

MOTORS (1)
Dowty

PROPERTY (3)
Hardanger Prop. — York Mount
Land Inv.

TRUSTS (2)
Marson Cap. Corp. — Martin (R. P.)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	71	+ 7	Boots	162	— 6
Atlantic Res.	500	+40	Cornell Hldgs	246	+26
Ault & Wiborg	33	— 6	Grand. Met	334	— 2
BL	47	+12	ICI	552	— 6
Bath & Portland	114	— 7	Paringa Mng & Ex	63	+ 1
Belgrave (Blackheath)	120	+22	Tate & Lyle	358	— 6

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Ultramar	29	695	—10	UBM	17	121	— 1
Saxon Oil	28	239	+46	GKN	16	180	— 4
BP	24	444	+10	Plessey	16	218	— 8
TI	23	160	— 6	Shell Trans.	16	628	+28
Fitzwilton	21	60	— 7	Tn & City Props.	16	43	— 1
Norton (W. E.)	19	28	+ 1½	Brit. Tar. Prods	15	63	+ 7
PoW Hotels	17	123	+ 8	Bula Res	15	22½	+ ½

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Fitzwilton	116	60	+25	SCUSA New	74	161	+ 4
Bula Res.	112	22½	+10	Ultramar	71	695	+ 8
UBM	98	121	+31	GEC	69	210	—10
ICI	87	558	+ 3	TI	68	160	+ 4
BP	82	444	+40	BOC	65	251	+18
RTZ	79	622	+ 2	Boots	65	168	— 3
STC	78	312	+ 4	Dalgety	64	384	+22

Receiver to advise Cavendish victims

THE RECEIVER of Cavendish Sales Cassette Centre, the London TV and video retail group which crashed with debts of almost £1m, has opened a help line for the company's customers.

Mr Philip Monjack of accountants Leonard Curtis said he believed the customers should not be left stranded because many had electrical goods with guarantees. "All they have to do is telephone (01) 486 5200 and we will give them the help and advice they need."

PM's adviser to give lecture

SIR JOHN HOSKYNS, former head of the Prime Minister's Downing Street policy unit, will give this year's Institute of Directors' annual lecture in London on September 28.

Sir John, who has built up a formidable reputation for frank criticism of Civil Service attitudes, was responsible for monitoring the Government's long-term aims from the election until last year. He joined the board of ICL last September and became a director of AGB Research earlier this year.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

INSURANCE & OVERSEAS M ... DS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	113.6	119.6	.....	—
Do. Initial	110.9	116.8	.....	—
Man. Pens. Accum.	240.6	253.3	.....	—
Do. Initial	200.3	210.9	.....	—
Gilt-Edg.Pens. Accum.	200.9	211.5	.....	—
Do. Initial	160.9	169.4	.....	—
Money Pens. Accum.	183.7	193.4	.....	—
Do. Initial	149.0	156.9	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		229.59	.....	—
Managed Inv. Fd.	155.62	163.82	.....	—
Property Fd.	149.64	157.52	.....	—
Fixed Interest Fd.	140.23	147.62	.....	—
Cash Fd.	134.87	141.97	.....	—
Income Fd.	170.44	179.42	.....	—
Extra Income Fd.	160.24	168.68	.....	—
Worldwide Growth Fd.	232.00	244.22	.....	—
Balanced Fd.	172.34	181.42	.....	—
Smlr Co's & Recy. Fd.	202.40	213.06	.....	—
Int. Technology Fd.	266.62	280.66	.....	—
Nth. Amer. & Gen. Fd.	168.81	177.75	.....	—
Energy Int. Fd.	105.73	111.30	.....	—
Pacific Basin Fund	134.6	141.44	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	106.5	112.1	−0.3	—
Property	104.7	110.2	−0.4	—
Equity	95.8	100.9	+0.5	—
International	124.5	131.1	−0.8	—
Fixed Interest	96.2	101.2	−0.2	—
Deposit	98.2	103.3	.....	—
Managed Pen. Cap.	107.7	113.3	−0.8	—
Property Pens. Cap.	104.0	109.5	−0.8	—
Equity Pens. Cap.	92.9	97.8	+0.2	—
Intnl. Pens. Cap.	130.2	137.0	−2.0	—
Fixed Int. Pens. Cap.	94.9	99.9	−0.3	—
Deposit Pens. Cap.	96.7	101.8	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Aug 2		95.8	.....	—
Retmt. Fed. Aug 6		255.4	.....	—
Managed Pen Fund	174.9	184.1	.....	—
Property Pen Fund	113.3	119.3	.....	—
Index Lnkd Pen Fund	108.2	113.9	.....	—
Managed	119.4	125.7	.....	—
Property	101.8	107.2	.....	—
Gilt and Fixed Interest	100.7	106.0	+0.3	—
Index-Linked	93.4	98.4	−0.4	—
Equity	116.3	124.6	−0.4	—
Cash	102.6	108.0	−0.1	—
Midland Bk. Unit Tst.	115.8	121.9	+0.2	—
Midland Bank Intnl.	138.3	145.6	+0.4	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£38.21	—	+0.18	—
Property Units	£17.01	—	.....	—
Equity Bond/Exec	£24.84	26.29	+0.11	—
Prop. Bond/Exec	£22.23	23.52	−0.01	—
Bal. Bd./Exec/Unit	£23.18	24.53	+0.03	—
2nd Equity Acc	194.1	205.4	+0.8	—
2nd High Inc/Acc	145.1	153.5	+0.9	—
2nd Property Acc	170.1	180.0	.....	—
2nd Managed Acc	168.1	177.9	+0.2	—
2nd Deposit Acc	142.8	151.1	.....	—
2nd Gilt Acc	137.2	145.2	−0.4	—
2nd American Acc	199.3	210.9	+1.4	—
2nd Intl Money Acc	140.7	148.9	+0.3	—
2nd Index Acc	94.7	100.2	.....	—
2nd Eq. Pens./Acc	269.3	285.0	+1.5	—
2nd Hi Inc Pens/Acc	152.0	160.8	+0.9	—
2nd Prp. Pens/Acc	211.9	224.2	.....	—
2nd Mgd. Pens/Acc	211.8	226.1	+0.3	—
2nd Dep. Pens/Acc	185.6	196.4	.....	—
Gilt Pens/Acc	175.7	185.9	−0.6	—
2nd Am. Pens/Acc	265.7	281.2	+2.3	—
2nd Int. MoneyPens/Acc	168.1	177.9	+0.9	—
2nd Index Pens./Acc.	99.7	105.5	.....	—
L & E S.I.F.	72.0	76.5	.....	—
L & E S.I.F. 2	49.0	52.5	+0.5	—

Current value at August 11.

Capital Life Assurance
24 Ludgate Hill, London EC4P 4BD

Key Invest. Fd.	120.68	—	.....	—
Pacemaker Inv. Fd.	116.98	—	.....	—

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	193.07	203.23	+0.46	—
Managed Income	90.94	95.73	+0.10	—
International	125.71	132.32	+0.92	—
High Income	113.06	119.01	+0.38	—
Income & Growth	115.68	121.77	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	118.5	124.8	+0.1	—
GT Pln High Yld Fnd	119.3	125.6	+1.5	—
GT Plan Far East Fnd	109.2	115.0	+2.2	—
GT Pln N Am Fund	143.0	150.6	+1.5	—
GT Pln UK&G.E. Fnd	136.4	143.6	−0.5	—
GT Pln Wrldwde Fnd	133.7	140.8	−0.2	—
GT Pension Bnd Fnd	126.2	132.9	.....	—
GT Pen High Yld Fd	135.7	142.9	+2.1	—
GT Pen Far East Fd	132.2	139.2	+3.3	—
GT Pen N. Am. Fd	209.5	220.6	+2.1	—
GT Pen UK & G.E. Fd	157.8	166.2	−0.6	—
GT Pen Worldwide Fd	142.9	150.5	−0.3	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	163.2	171.8	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		244.8	.....	—
Portfolio Fd. Intl.		204.4	.....	—
Portfolio Fd. Cap.		234.8	.....	—
Investment A'cts	244.7	257.7	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,153	.....	—
Landbank Secs.		65.87	.....	—
Landbank Scs. Acc.	183.7	188.5	.....	—
G. & S. Super Fd.		£11.2814	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	301.7	314.2	.....	—

GRE Linked Assurance Limited

Managed Initial	210.1	221.1	+1.3	—
Do. Accum.	232.2	244.5	+1.5	—
Equity Initial	268.6	282.8	+0.9	—
Do. Accum.	297.0	312.7	+1.0	—
Fixed Int. Initial	183.0	192.6	−0.7	—
Do. Accum.	202.3	212.9	−0.8	—
International Initial	209.1	220.0	+2.1	—
Do. Accum.	231.2	243.4	+2.5	—
North American Initial	99.1	104.3	+1.3	—
Do Accum.	99.7	104.9	+1.3	—
Index-Linked Gilt Int.	89.5	94.3	−0.4	—
Do Accum.	90.1	94.9	.....	—
Property Initial	123.9	130.4	.....	—
Do Accum.	136.9	144.1	.....	—
Deposit Initial	121.9	128.4	.....	—
Do. Accum.	134.8	141.9	.....	—

GRE Pensions Management Ltd.

Pens. Managed Initial	206.2	217.0	+0.8	—
Pens. Managed Acc.	222.8	234.5	+0.9	—
Pens. Equity Initial	268.4	282.6	+0.7	—
Pens. Equity Acc.	290.0	305.3	+0.8	—
Pens. Fxd. Int. Initial	185.2	194.9	−0.6	—
Pens. Fixed Int. Acc.	200.1	210.6	−0.7	—
Pens. Int'l Initial	190.0	200.0	+2.1	—
Pens. Int'l. Acc.	205.3	216.1	+2.3	—

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Hambro Life Assurance P.L.C.
Hambro Life Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	183.5	193.2	.....	—
Equity Acc.	389.5	410.1	.....	—
Property Acc.	276.7	291.3	.....	—
Managed Cap.	228.1	240.2	.....	—
Managed Acc.	343.1	361.2	.....	—
Overseas Acc.	261.5	275.3	.....	—
Gilt Edged Acc.	202.5	213.6	.....	—
American Equity Acc.	231.5	243.7	.....	—
American Man Acc.	122.6	129.1	.....	—
American Prop Acc.	99.2	104.5	.....	—
Pen.F.I.Dep.Cap.	199.2	209.7	.....	—
Pen.F.I.Dep.Acc.	277.8	292.5	.....	—
Pen. Prop. Cap.	236.6	254.4	.....	—
Pen. Prop. Acc.	518.4	545.7	.....	—
Pen. Man. Cap.	413.6	435.4	.....	—
Pen. Man. Acc.	636.7	670.3	.....	—
Pen.GiltEdg.Cap.	215.1	226.5	.....	—
Pen. Gilt Edg. Acc.	270.7	285.0	.....	—
Pen. Eq. Cap.	593.9	625.2	.....	—
Pen. Eq. Acc.	693.2	729.7	.....	—
Pen. B.S. Cap.	198.8	208.8	.....	—
Pen. B.S. Acc.	270.1	283.7	.....	—
Pen. D.A.F. Cap.		162.0	.....	—
Pen. D.A.F. Acc.		196.0	.....	—

Hearts of Oak Benefit Society

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

"Asset Builder"	64.8	68.7	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Aug 12	60.9	65.7	+0.1	—
MM Flexible July 29	52.3	55.1	.....	—
Fixed Interest July 29	54.3	57.3	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	290.2	—	+0.6	—
Invest. Tst. Fd. Acc.	305.1	—	+0.7	*11.7
Property Fund Cap.	117.3	—	+0.1	—
Property Fund Acc.	123.0	—	+0.1	*4.1
Flexible Fund Cap.	180.3	—	+0.1	—
Flexible Fund Acc.	189.1	—	+0.2	*4.0
Fixed Int. Fd. Cap.	133.2	—	−0.4	—
Fixed Int. Fd. Acc.	139.9	—	−0.4	—
Gtd. Deposit Fd. Cap.	138.5	—	.....	—
Gtd. Deposit Fd. Acc.	144.4	—	.....	—
Equity Fund Cap.	133.0	—	−0.4	—
Equity Fund Acc.	140.2	—	−0.4	—
International Fd. Cap.	137.3	—	+0.4	—
International Fd. Acc.	143.5	—	+0.4	—
Capital Gwth. Fd.	425.7	—	+0.3	—
Moneymaker Fund	166.0	—	+0.2	—
Exempt Inv Tst Cap.	410.4	—	+1.0	—
Exempt Inv Tst Acc.	423.4	—	+1.1	—
Exempt Inv Tst NS.	421.4	—	+1.1	*7.7
Exempt Ppty Cap.	189.6	—	+0.3	—
Exempt Ppty Acc.	195.6	—	+0.3	—
Exempt Ppty NS.	194.6	—	+0.3	*3.6
Exempt Flex Cap.	240.9	—	.....	—
Exempt Flex Acc.	248.4	—	.....	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		286.7	.....	—
Property Fund (A)		279.0	.....	—
Agricultural Fund		1095.8	.....	—
Agric. Fund (A)		1067.4	.....	—
Abbey Nat. Fund		227.5	.....	—
Abbey Nat. Fd. (A)		226.6	.....	—
Investment Fund		136.8	.....	—
Investment Fund (A)		134.0	.....	—
Equity Fund		417.4	−1.0	—
Equity Fund (A)		409.8	−1.0	—
Money Fund		213.4	+0.3	—
Money Fund (A)		209.6	+0.3	—
Actuarial Fund		219.6	.....	—
Gilt-edged Fund		183.2	+0.5	—
Gilt-Edged Fd. (A)		183.2	+0.5	—
Retire Annuity		958.1	.....	—
Immed. Anuity		193.0	.....	—
International Fd.		267.6	+2.2	—
Bldg. Soc. Life Fd.		103.1	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	247.9	260.9	.....	—
Inv. Fd. Uts.		294.3	.....	—
Pension Fd. Uts.		248.7	.....	—
Conv. Pens. Fd.		284.9	.....	—
Cnv. Pns. Cap. Ut.		214.7	.....	—
Man. Pens. Fd.		331.3	.....	—
Man. Pens. Cap. Ut.		259.2	.....	—
Prop. Pens. Fd.		277.0	.....	—
Prop.Pens.Cap.Uts.		211.4	.....	—
Bldg. Soc. Pen. Ut.		248.6	.....	—
Bldg. Soc. Cap. Ut.		192.4	.....	—
Gilts Pens. Fd.		159.6	.....	—
Gilts Pens. Fd. Cap.		140.6	.....	—
Equity Pens. Fd.		257.2	.....	—
Equity Pens. Fd. Cap.		226.6	.....	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	106.1	112.0	.....	—
Fixed Interest Acc.	89.6	94.6	.....	—
Intnl. Acc.	81.8	86.3	.....	—
Managed Acc.	91.0	95.9	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225

Managed	197.6	208.1	−0.2	
Property	151.0	159.0	.....	
Equity	228.6	240.7	−0.4	
International	211.5	222.7	+0.9	
Fixed Interest	160.1	168.6	+0.7	
Index Linked	93.4	98.4	+0.1	
Cash	129.5	136.4	+0.1	
Pension Managed	229.4	241.5	+0.2	
Pension Property	152.9	161.0	.....	
Pension Equity	267.0	281.1	−0.8	
Pension Intl.	254.8	268.3	+1.2	
Pension Fxd. Int.	166.7	175.5	+0.8	
Pension Index Linked	94.5	99.8	.....	
Pension Cash	145.0	152.7	.....	

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403

Series (2)

Index Linked Fund	98.7	103.9	+0.1	
Equity Fund	301.6	317.5	−1.9	
Fixed Interest Fund	187.4	197.3	+0.7	
Property Fund	213.0	224.3	.....	
International Fd.	178.5	187.7	−0.1	
Deposit Fund	142.7	150.2	.....	
Managed Fund	235.1	247.5	−0.3	
Intl Bond Aug 9	£21.15	—	.....	

Series (2) Prices are for policies issued after 11/7/... Series (1) These are bid prices for earlier policies.

Individual Pension Funds

Index Linked	120.7	127.2	+0.1	
Equity	145.9	153.6	−1.1	
Fixed Int.	152.5	160.6	+0.8	
Property	107.6	113.3	.....	
International	149.4	157.3	.....	
Deposit	110.7	116.6	.....	
Managed	144.7	152.4	−0.2	

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930

Maple Leaf Plans

Growth Account	427.2	—	.....	

OFFSHORE AND OVERSEAS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102¼	100¾	Exch. 13½pc '83	100¾	......	13.40	10.24
100⅛	98½	Exch. 10pc 1983	99¾	......	10.00	9.88
98½	96¼	Funding 5½pc '82-84‡‡	98½	+⅛	5.58	9.13
101¼	97½	Exch. 11¼pc 1984	100⅛xd	+⅛	11.19	10.02
104⅛	102⅛	Exchequer 14pc 1984	102⅛	+⅛	13.70	10.80
95⅛	92½	Exch. 3pc 1984	94⅛	...	3.18	9.96
102½	100½	Treasury 12pc 1984	101	+⅛	11.88	10.88
107½	104½	Treasury 15pc 1985	105xd	+⅛	14.28	11.31
107	101⅛	Exch. 12pc Cnv. '85	101⅛	+⅛	11.87	11.15
91⅝	88⅝	Treasury 3pc 1985	90⅝	+⅛	3.31	8.82
102⅛	99⅝	Treasury 11½pc 1985	100⅛	......	11.49	11.38
102	95	Treas 8¾pcCnv '85	96⅛xd	+⅛	9.07	10.67
103⅝	100⅛	Exch. 12¼pc 1985	101⅛	......	12.11	11.60
102⅛	99⅛	Exch. 11¾pc '86	100⅛xd	......	11.72	11.62
—	—	Tr 10pc Cnv '86 (£40pd)	£96¾	....	10.34	11.47
88½	85⅝	Treasury 3pc 1986	86⅛	+⅛	3.47	8.69
101½	97⅛	Exch. 10½pc Cv '86	97½	+⅛	10.77	11.53
103½	100⅛	Treasury 12pc '86	100⅛	......	11.95	11.77
10.63	94⅝	Treasury 8½pc 84-86‡‡	94⅝	......	8.97	10.62
114	103¼	Treas. 12¼pc '86 Cnv	104⅛	+⅛	11.74	10.43
109⅛	105⅛	Exch. 14pc 1986	105¼	+⅛	13.32	11.99
107⅛	103⅝	Exch. 13¼pc 1987	103¾	+⅛	12.78	11.86
68⅛	67⅝	Tr 10¼pc Cv87 (£ Opd)	67⅛	+⅛	10.68	11.65
84⅛	80¼	Exchequer 2½pc 1987	81⅛xd	......	3.08	8.86
100⅛	95⅞	Exch. 10½pc 1987	96¼	+⅛	10.92	11.77
99⅛	96	Exch. 10½pc 1987A	96⅛	+⅛	10.94	11.83
93¼	88⅛	Funding 6½pc '85-87‡‡	88¼	+⅛	7.38	10.42
81⅞	80¼	Treasury 3pc 1987	80⅝	−⅛	3.72	8.97
104⅝	99⅞	Treas 12pc 1987	100⅛	+⅛	11.99	11.90
93¼	89⅝	Treasury 7¾pc '85-88‡‡	89⅝	−⅛	8.65	10.73
101½	95½	Exch 10½pc '88	95½	+⅛	10.99	11.68
81½	75⅞	Transport 3pc '78-88	76¾	...	3.91	8.99

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

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BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

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INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

INSURANCES

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MOTORS, AIRCRAFT TRADES

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PROPERTY—Continued

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SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

170	95	Admiral Mines	97	......	—	—	—
90	34	♥Anglo-Dominion	80	......	—	—	—
93	54	♥Anglo Utd. Dev.	64	−1	—	—	—
135	60	♥Colby Res Corp.	115	......	—	—	—
505	315	Cons. Murch. 10c.	582	+2	‡Q60c	1.9	‡
$5\frac{1}{2}$	3	‡‡Explaura Gold	3	......	—	—	—
180	103	♥Highwood Res.	175	+5	—	—	—
£24¼	£18	Hampton Mining $1	£23xd	......	hQ20c	—	0.6
495	330	Northgate C$1	335	+5	—	—	—
*623	437	R.T.Z.	623	+1	t17.0	1.9	3.9
£137	£108	[illegible]	£137	+½	Q9½%	21.4	f7.0
190	13	♥Sabina Inds C$1	150	−5	—	—	—
88	50	‡Sonfinest Res 40p.	88	+2	—	1.9	—
615	312	♥Tara Exptn $1	550	−30	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♣ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Nat. 9¼% 84/89	£86	......
			Fin. 13% 97/02	£99¾	......
Albany Inv. 20p	62	......	Alliance Gas	98	......
Bdg'wtr. Est. 50p	265	......	Arnott	205	+5
Craig & Rose £1	£11½	......	Carroll (P.J.)	110	+2
Finlay Pkg. 5p	37	......	Concrete Prods.	72	+7
Graig Ship. £1	22	......	Helton (Hldgs.)	16	......
Higsons Brew.	80	......	Irish Ropes	38	......
Holt (Jos) 25p	910	......	Jacob	62	......
I.O.M. Stm. £1	105	......	T.M.G.	60	......
Pearce (C. H.)	500	......	Unidare	72	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	17	Utd. Drapery	14
Allied-Lyons	15	I.C.I.	35	Vickers	12
BOC Grp.	28	"Imps"	11	Woolworth Hld.	27
B.S.R.	12	I.C.L.	8½		
Babcock	16	Ladbroke	20	**Property**	
Barclays Bank	35	Legal & Gen.	38	Brit. Land	8½
Beecham	35	Lex Service	30	Cap. Counties	15
Blue Circle	44	Lloyds Bank	45	Land Sec.	38
Boots	22	"Lots"	3½	MEPC	22
Bowaters	19	London Brick	8	Peachey	16
Brit. Aerospace	20	Lucas Inds.	15	Samuel Props.	10
B.A.T.	65	"Mams"	12	Town & City	3
Brown (J.)	5	Mrks. & Spncr.	20		
Burton Ord.	35	Midland Bank	35	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	32
Courtaulds	8½	Nat.-West. Bank	50	Burmah Oil	18
Debenhams	12	P & O Dfd.	14	Charterhall	5
Distillers	22	Plessey	50	KCA	6
Dunlop	6	Racal Elect.	45	Premier	4
Eagle Star	35	R.H.M.	6	Shell	45
F.N.F.C.	4½	Rank Org. Ord.	17	Tricentrol	19
Gen. Accident	40	Reed Intnl.	28	Ultramar	40
Gen. Electric	22	Sears	9		
Glaxo	90	T.I.	16	**Mines**	
Grand Met.	32	Tesco	14		
G.U.S. 'A'	55	Thorn EMI	50	Charter Cons.	28
Guardian	42	Trusthouse	20	Cons. Gold	50
G.K.N.	16	Turner & Newall	4½	Lonrho	8½
Hawker Sidd.	34	Unilever	80	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday August 13 1983

MAN IN THE NEWS

A new star in textiles

BY ANTONY THORNCROFT

ALAN LEWIS is understandably pleased. The Monopolies Commission has just given him the green light to take over Illingworth Morris, the world's second largest (after America's Burlington Industries) wool-textile business. But also there on page 101 of its report, in the usual flat prose, he is described as having "a keen eye for an opportunity and prepared to act vigorously and with singleness of purpose." He has "resource and imagination in planning and is not afraid to follow new trends. He feels like a restaurateur on whom Egon Ronay has just bestowed three stars.

With his newly-acquired strength Mr Lewis is going to play an active role in the woollen industry, a move that

Alan Lewis

will not be greeted with sighs of relief everywhere in Bradford. The Confederation of British Wool Textiles, which represents the vast majority of the employers, opposed his bid for IM and there are still mutterings about how wron those monopolies people in London were.

Mr Lewis professes not to be concerned. He sits in Tommy Nutter's emporium for sharp dressers in Savile Row—an image as far removed from Yorkshire as it is possible to get—and says: "I have been surprised and delighted at the number of phone calls and letters I have had congratulating me." He has been surprised, too, at some of the people making those calls.

If opposition does continue he will not be perturbed. He is in many ways a loner, preferring to trust his own judgment and that of his small band of advisers in working hours, and in his own company in the gym at the start and end of the day training for karate's top awards.

He is also, he admits, no gambler. "I am a cautious buyer who pays great attention to detail. I don't take anything for granted and won't be rushed into decisions. I know I can give Illingworth. Morris the sense of direction it needs and this will restore its fortunes.

Despite the cautions he has built a considerable personal empire based on property, finance, industrial concerns and overseas trading. The first million came by the time he was 34 and he now has a book value of £11m.

Much of his success arose from an ability to see an undervalued asset and to be liquid at the right time. Some would call him lucky in having a lot of cash in 1973, just before the property crash. He prefers to think you make your own luck.

Certainly none of his wealth has come via the inherited trail. Although grandfather Lewis, who moved from North Wales to Manchester, where Alan Lewis was born in 1938, built a considerable fortune injudicious spending saw to it that little passed to his father and none to him.

For four years he was apprenticed as a printer and assiduously attended night school to complete an education. But by the time he was 20, and without finishing the apprenticeship, he realised the print was not for him and moved into property, especially handling finance-house re-possessed buildings. "I made a lot of money in a short time and I was on my way. Then I went into garages, financially a very unsophisticated world. I bought about 20 and sold long leases to the petrol companies, which gave me my money back."

Along the way Mr Lewis picked up experience of textile companies, but Illingworth, Morris takes him into a new, much bigger league. It is a company with a turnover of some £70m and a workforce of 3,800, a figure he does not want to see fall any further.

It is also known in the trade as the sleeping giant. But not for much longer, he promises.

IMF calls Argentina meeting

BY ALAN FRIEDMAN AND MARGARET HUGHES IN LONDON AND JIMMY BURNS IN BUENOS AIRES

THE International Monetary Fund will convene a special board meeting on Monday morning to discuss Argentina's economic programme and debt problems.

The meeting, called yesterday, is seen by bankers as a reaction to the British Government's temporary ban on UK bank participation in a $1.5bn (£1bn) international loan for Argentina.

The Thatcher Government told banks on Thursday it did not want them to sign the loan until the IMF board had met and approved Argentina's IMF-agreed programme. Britain is also concerned that Argentina should stop discriminating against UK companies.

Downing Street, the Foreign Office, the Treasury and the Bank of England have heard from Argentina over the past 48 hours that financial sanctions against British companies were being lifted. Whitehall said it regards this development as a "helpful move" towards normalisation but still requires evidence that removal of the curbs is "generalised and permanent" before it is convniced Argentina has indeed lifted sanctions.

Mr Bill Rhodes, Citibank head of the Argentine bank advisory group, said last night that remittance of profits to British companies had been made this week.

It is thought likely the IMF board will approve the Argentine programme on Monday, removing the British Government's main objection to the commercial bank loan. Whitehall officials said last night they would expect the Government to give banks the green light once the IMF board has given its approval. British bank participation in the loan amounts to $100m.

Participants in the Argentine loan have been told that the formal signing is scheduled for Tuesday and Wednesday in New York. The loan books will be kept open until August 25. If British banks receive permission they would have about ten days to sign the loan.

In Buenos Aires, government officials said Mrs Thatcher had clearly taken a political position, which was a breach of a "gentleman's agreement" under which UK banks had agreed to sign the $1.5bn loan once Argentina had moved to lift its sanctions against UK companies.

On Thursday, UK companies received written messages from the Argentine Government, allowing them to remit funds. The method for transferring funds out of Argentina for all foreign companies is to export government-issued dollar bonds, known as Bonex, which can be cashed in the secondary market in New York.

Argentine government officials said yesterday that Britain's intransigence threatened to provoke hardline sectors of the armed forces which have opposed the lifting of sanctions.

They said the survival of Sr Jorge Wehbe as the Argentine's Economy Minister was linked to the outcome of the loan negoatiations.

The Argentine junta has privately told Sr Wehbe that he has until the end of next week to return to Buenos Aires with assurances that the $1.5bn loan will be signed by all parties. If he is unsuccessful, it is thought his position in the Government will be in jeopardy.

● Christian Tyler, World Trade Editor, adds: British American Tobacco said yesterday it had been advised officially it could now repatriate earnings from its majority-owned Nobleza-Piccardo cigarette plant. Among major UK companies with dividends or profits to be released are ICI and Shell. In most cases the sums are very small in relation to total profits.

Nigeria seeks $5bn for recovery

BY QUENTIN PEEL IN LAGOS

NIGERIAN OFFICIALS hope to conclude a three-part economic recovery package totalling nearly $5bn (£3.4bn) in coming weeks. The sum involves the International Monetary Fund, the World Bank and commercial banks.

An IMF team is expected in Lagos on September 2, following the latest round of Nigerian elections. Officials hope the visit will mark the final round of negotiations leading to a three-year extended credit of more than $2bn. If the talks are successful the facility would not be available before late-October.

Nigeria expects to qualify for a further IMF credit under its compensatory financing facility. This is designed to help countries suffering a sharp drop in commodity export earnings. It is being extended for the first time to members of the Organisation of Petroleum Exporting Countries.

Negotiations with the fund, started in May after initial contacts in April, are well advanced, senior officials say. Agreement has been reached on a range of issues.

Talks are under way with the World bank for a structural adjustment loan of between $300m to $500m, which could involve substantial reorganisation of the public-sector investment programme. Discussions are taking place with a further 11 international banks which may join the 26-bank deal to refinance up to $2bn in arrears on trade payments.

The principal area for further discussion is understood to be the need for restraint in public spending, involving the Nigerian Government's capital and current spending plans. The question of devaluation of the naira, however, which has been adamantly opposed by the Nigerian Government, is no longer thought a serious sticking point.

The value of the Nigerian currency was quietly adjusted downward by 10 per cent against the dollar last month. It seems likely that a compromise will be reached, with the IMF allowing the weighting of the basket of currencies to which the naira is tied to be altered.

This would probably result in the currency drifting further down over a specific period, so that the politically unacceptable trauma of a formal devaluation would be avoided.

Officials point to plans to sell off parts of Nigerian Government corporations, such as hotels and possibly the national airline. They expect these plans to meet World Bank approval.

Discussions with the IMF and the World Bank are continuing in spite of the recent stabilisation of Nigeria's oil production. This averaged 1.46m barrels a day in the second quarter of the year, exceding the country's Opec quota of 1.3m b/d, and rose to 1.7m b/d average last month.

Simultaneously, Nigerian imports have been cut to only naira 600m (£551m) a month, according to the Central Bank. This has taken the country's external payments close to equilibrium for the first time in only two years.

The commercial bank negotiations, which were concluded with 26 institutions last month, could eventually include 37 banks.

If all were to participate in the deal, under which outstanding payments on letters of credit have been rescheduled over a three-year period with a grace period until next January, the total could rise from the present $1.7bn eventually to more than $2bn.

Nigeria still needs more external finance to repay the rest of its backlog in short-term debt not covered by letters of credit. This is believed to total several billion additional dollars.

Officials in Lagos say there is no question of relaxing the current import restrictions following President Shagari's election victory this week.

They say further restraint on government spending plans could arise from current talks but insist that agriculture, petrochemicals and the planned liquefied natural gas projects would be exempt.

Simon Engineering bid accepted

BY RAY MAUGHAN

SIMON ENGINEERING, one of Britain's leading process plant contractors has made an agreed £22m offer for Drake & Scull, the electrical and mechanical engineering group headed by Sir Monty Finniston.

Mr Harry Harrison, Sir Monty's opposite number at Simon, said he and his boardroom colleagues had been looking at Drake & Scull for some time. The two group's are "very compatible. We talk the same language."

Drake & Scull made profits of £4.1m in the year to October last year on turnover of £117m. It will bring to Simon expertise in building services in both the public and private sectors.

Its main overseas markets are in Nigeria, Saudi Arabia and the United Arab Emirates, which Simon believes will dovetail with its own strong position in South Africa, Australia and Latin America.

With its experience in long-term credit finance, Simon will be able to take Drake & Scull into bigger projects and into a broader customer range—notably clients in the food, chemical, coal, paper and sewage treatment markets—Mr Harrison claimed.

Simon is offering one of its own shares, which were unchanged yesterday at 383p, and 342p in cash for every six Drake & Scull shares. These are valued at 120.8p each, against a market price of 115p, up by 30p at the close of trading yesterday.

The deal covers assets of only £7.3m and it is likely that Simon will write off the outstanding goodwill balance. Mr Harrison explained that Simon had to reach agreement with Drake & Scull since "it is essentially a people business, with no assets. It is vital to take on board the people who run it."

Simon, which will increase its issued capital by about a tenth to complete the acquisition and pay £10.4m from its own resources, had looked at other companies in the engineering contracting sector. It eventually discarded other options in view of overlapping interests.

The bidder has cash balances of about £50m, including an unquantified element of customer's prepayments.

● Its healthy liquidity is in stark contrast with that of Capper-Neill, another process plant engineer, which is to announce a refinancing package next week. The group's bankers are expected to convert debt into deferred equity and new shareholders have been found to subscribe for additional capital.

Management changes are also in train. Mr Bill Capper, chairman of Capper-Neill, is expected to resign. The shares were 12½p yesterday against par value of 10p.

Continued from Page 1

Chrysler

yesterday's cheque came to $813,487,500. It was handed over to the U.S. Trust Company, which will send the proceeds to about 2,000 investors and financial institutions on Monday morning.

Mr Iacocca has become one of America's best known businessmen as a result of the Chrysler turnround, and there has bec nsome speculation that he might harbour political ambitions. But he said yesterday that his experiences of the past three years had been enough to squash any such ideas.

Weather

DRY, sunny periods, cloudier in west.

England, Wales, Channel Is, I of Man, SW Scotland, N Ireland

Dry, sunny periods after some early fog, some drizzle on western coasts and hills. Max 22C (72F).

Rest of UK
Mainly dry, bright then cloudy, a little rain, hill and coastal fog. Max 19C (66F).

Outlook: Mostly dry and very warm, chance of thunder showers in S.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	26	79	Luxmbg.	S	25	77
Algiers	S	30	86	Madeira	F	23	73
Amsdm.	C	19	66	Madrid	S	27	81
Athens	S	29	84	Majorca	S	30	86
Bahrain	S	35	95	Malaga	S	31	88
Barclna.	S	27	81	Malta	S	29	84
Beirut		—	—	M'chstr.	F	18	64
Belfast	F	18	64	Melbne.	S	14	57
Belgrd.	S	28	82	Mx. C.		—	—
Berlin	S	21	70	Miami†	F	27	81
Biarritz	C	21	70	Milan	F	26	79
Bmghm.	F	20	68	Montrl.†	F	17	63
Blackpl.	C	16	61	Moscow		—	—
Bombay	R	26	79	Munich	S	22	72
Bordx.	C	24	75	Nairobi	C	22	72
Boulgn.	F	18	64	Naples	F	26	79
Bristol	S	21	70	Nwcstl.	F	20	68
Brussels	S	21	70	N Delhi	F	33	91
Budpst.	S	29	84	N York†	R	18	64
Cairo		—	—	Nice	S	26	79
Cardiff	F	21	70	Nicosia		—	—
Cape T.	S	27	81	Oporto	F	21	70
Chicg.†	S	16	61	Oslo	F	20	68
Cologne	S	24	75	Paris	S	23	73
Cynhgn.	F	20	68	Peking	C	29	84
Corfu	F	28	82	Perth	F	19	66
Dallas	S	24	75	Prague	F	24	75
Dublin	F	17	63	Reykjvk.	C	8	46
Dbrvnk.	C	24	75	Rhodes	S	29	84
Ednbgh.	F	21	70	Rio J'o		—	—
Faro	S	23	73	Rome		—	—
Florence	C	27	81	Salzbrg.	C	19	66
Geneva	S	25	77	S F'cisct	S	13	55
Gibraltar	S	26	79	Singapr.	C	30	86
Glasgow	C	18	64	S'tiago		—	—
G'rnsey	S	21	70	Stckhm.	R	14	57
Helsinki	R	14	57	Strsbg.	S	26	79
H. Kong	S	33	91	Sydney	C	16	61
Innsbrk.	C	18	64	Tangier		—	—
Invrns.	F	16	61	Tel Aviv	S	31	88
I.o.Man	F	16	61	Tenerife	F	27	81
Istanbul	S	28	82	Tokyo	S	32	90
Jersey	Fg	16	61	T'ronto†	S	14	57
Jo'burg	S	18	64	Tunis	S	33	91
L. Plms.	F	24	75	Valencia	S	32	90
Lisbon	F	24	75	Venice	S	28	82
Locarno	C	23	73	Vienna	S	27	81
London	C	21	70	Warsaw	S	26	79
L. Ang.†	F	19	66	Zurich	S	22	72

C—Cloudy. F—Fair. Fg—Fog
R—Rain. S—Sunny.
† Noon GMT temperatures.

Prices of winter holidays cut

BY ARTHUR SANDLES

THOUSANDS of holidaymakers will have refund cheques in their post in the next few weeks as the price war between winter holiday tour-operators sharpens.

Yesterday Thomson, the market leader, and Horizon both published details of reduced prices for many holidays, and promised those who had already booked that money would be returned.

The moves came 24 hours after one of the biggest ski companies, Inghams, cut prices of thousands of winter sports holidays.

All the companies involved say the move is due to the continued strength of the pound against currencies of the sunshine and Alpine countries. The winter holiday marekt is, however, traditionally fiercely competitive.

The Thomson and Horizon moves bring down prices of more than 500,000 holidays.

"We know that this will have a dramatic effect on the market," said Mr Ken Franklin, managing director of Horizon.

Horizon's cuts affect some 160,000 holidays out of a total programme of 198,000 this winter. The average price reduction is claimed at 7 per cent.

Thomson, whose cuts affect 350,000 winter holidays, says its average reduction is £15. The highest are £88 for four weeks in Malta. "We intend to ensure that our holidaymakers get the best value for money next winter," said Thomson director Mr Colin Palmer.

"We are committed to providing our holidays at the lowest possible prices."

Price changing seems likely to become a permanent feature of the package tour business.

Earlier this year Thomson surprised the market by suddenly changing its prices in the middle of the booking season. The fact that other operators have followed suit suggests that the success of that move has changed traditional thinking.

"We could not help but notice that it worked for Thomson," Inghams said.

It is normal for the market leaders such as Thomson and Horizon to set price patterns for a season and publish their brochures early.

More "populist" companies, such as Intasun and Cosmos, and dozens of smaller companies, publish later, and usually undercut what are regarded as the establishment operations.

S. Africa cruise service, Page 4

Output and inflation

Continued from Page 1

in the second quarter of this year compared with the first three months.

The higher inflation figure for July, also published yesterday, largely reflected the increase in the mortgage rate and higher petrol prices. The retail price index for the month was 336.5 (1974=100), 0.6 per cent higher than in June and 4.2 per cent higher than a year earlier.

This was the first rise in the annual inflation rate since February, when it rose 0.4 of a percentage point to 5.3 per cent.

However, apart from the rise in the mortgage rate, the figures revealed little evidence of any underlying increase of inflationary pressure in the economy. Prices for clothing, household durable goods, tobacco and seasonal food fell during the month. The annual rate of increase in nationalised industry prices reached its lowest for nearly five years, and the rise in the cost of restaurant meals during the 12 months (6.3 per cent) was the lowest for 14 years.

The Treasury forecast at the time of the Budget was that the annual inflation rate would rise to 6 per cent by the end of the year, but it is now generally believed in the Treasury and elsewhere that the rate in November will be nearer to 5½ per cent.

THE LEX COLUMN

London treads the high wire

For the second year in succession, London's financial markets have been deprived of their customary August hibernation by the stubborn refusal of Wall Street to take a proper vacation. This time last year, a hasty and officially inspired fall in U.S. interest rates touched off a spectacular bull market in both equities and fixed-interest. Now the threat, reflected in a headlong appreciation of the dollar, is that interest rates may need to rise again to curb the inflationary effects of a rapidly recovering economy.

Official policy in London, simply put, is to carry on as if nothing was happening. The Bank of England has been conspicuously absent from the concerted attempt to brake the dollar's rise through intervention and there has so far been no suggestion that short-term sterling interest rates should be forced higher.

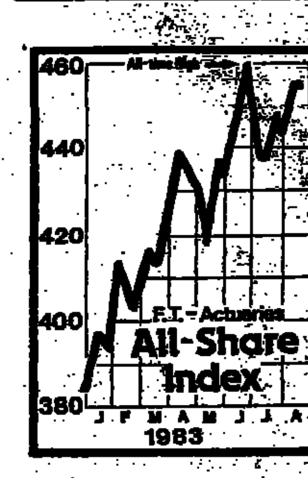
The financial markets, however, cannot afford to be so sanguine. Apart from anything else, the domestic dollars which are being realised by the sale of U.S. financial assets to foreigners seem to be finding their way across the Atlantic. Aware that the dollar cannot continue rising indefinitely, Wall Street fund managers are actively buying British equities, both in London and New York. Scarcely any leading British security has escaped the attention of the U.S. investment community.

Moreover, the gilt-edged market is aware that the premium of yields on long-dated U.S. Treasury bonds over comparable gilt-edged has this week risen to a record level of around 120 basis points. The British Government may not have the budget deficit problem of its counterpart across the Atlantic, but the present weakness of the U.S. debt markets also carries an awkward message about reviving longer term inflationary expectations.

The Federal Reserve's dilemma is acute. It is being asked to reconcile the conflicting objectives of monetary containment and interest rate stability at a time when the Administration is saddling the capital markets with a monumental budget deficit, the narrowest monetary aggregate is shooting ahead and the biggest sovereign debtors are still vulnerable.

The dollar is not the gilt-edged market's only worry. This week's preliminary money supply figures, for banking July, showed some improvement on the grim June statistics but the

Index fell 3.8 to 722.1



¾ per cent growth in sterling M3 was still on the high side given that bank lending, by all accounts, was very slack.

The gilt-edged market remains concerned that the Public Sector Borrowing Requirement is running ahead of schedule, despite the action taken by the Chancellor last month, and that bank lending could start to accelerate rapidly once industry starts to restock.

Not surprisingly, the Bank of England has been losing no opportunity to sell Government debt and plug the monetary gap. Yesterday, for example, it exhausted its remaining holding of a recent mini-tap, Exchequer 10½ per cent of 1997, and then landed a new convertible on the market. The Bank is making available £800m of 10 per cent Treasury £1986, convertible into 10 per cent Conversion Stock 2002. Last night, the new issue was looking fairly attractive to net funds in its short-dated form and roughly ¼ per cent above the market as a long.

UK equities have staged a strong recovery in recent weeks after their post-election set-back. The All-Share is now barely 1 per cent below the June high. This performance has taken place in spite of the fairly sluggish gilt-edged market, and an even more uninspiring example from Wall Street.

Buoying the market have been further signs of cyclical recovery, with the CBI end-July survey confirming a pick-up in the manufacturing sector. The gains are still fairly tentative, as yesterday's production figures underlined. Nevertheless, a series of company results—from ICI on—have demonstrated the geared effect on margins of even a small increase in volume. To the normal benefits of tighter markets at this stage in the cycle can be added the productivity gains from the savage cuts in capacity over the past three years. Accordingly, analysts have been upgrading their profit forecasts and a 20 per cent average increase for quoted companies this year now seems to be fairly common ground. So far the renewed strength of the pound against the continental currencies still allows a net currency benefit to most companies compared with the average figure for 1982 after allowing for the strength of the dollar.

The recovery in demand remains concentrated in consumer related goods, as this week's results from GKN and TI show. But this has not deterred investors from plunging into cyclical stocks and sectors. Since the end of May the All-Share has risen more than twice as fast as the industrial group index, reflecting the switching into oils and financials. Within the industrial group, attention has moved to selected engineering stocks which are perceived to have recovery potential. This has been at the expense of yesterday's glamour stocks: GEC, Magnet and Southerns, Currys among many others are well off their highs earlier in the year. The aggressive switching to second line stocks—a world-wide phenomenon—reflects a collapse in the premium for quality that investors have been prepared to pay until very recently. The game now is to catch depressed sectors and stocks before they start to move.

The new emphasis on quick capital gains hardly represents long-term support for the market's present level. At the same time there can be little confidence that the U.S. funds, now buying UK blue chips, will remain long-term holders, after they have been their expected profits. The gap between gilt-edged and equity yields is now so wide, assuming that inflation is still not expected to take off, that equities may struggle to make much more progress without support from gilt-edged.

Royal Dutch/Shell

Yesterday's column stated second quarter net profits for the Royal Dutch/Shell group incorrectly. Adjusted on the basis of the group's own estimated current cost of supplies, profits were £614m against £494m. This included £125m from non-North American downstream operations after excluding £9m of stock profits rather than the £80m suggested.